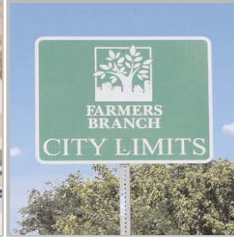
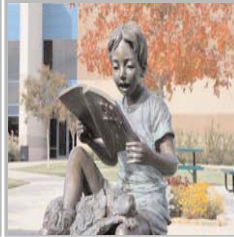


City of Farmers Branch, Texas

Annual

Operating

Budget



fiscal year 2008-09

**CITY OF FARMERS BRANCH, TEXAS
2008-09 ADOPTED FISCAL YEAR BUDGET**

City Council

Tim O'Hare
Ben Robinson
David Koch
Tim Scott
Harold Froehlich
Jim Smith

Mayor
Mayor Pro Tem, Place 5
Deputy Mayor Pro Tem, Place 4
Place 1
Place 2
Place 3

City Manager

Gary D. Greer

Prepared by

Finance Department
Charles S. Cox, Director

**CITY OF FARMERS BRANCH, TEXAS
LIST OF PRINCIPAL OFFICIALS**

City Council

Tim O'Hare
Ben Robinson
David Koch
Tim Scott
Harold Froehlich
Jim Smith

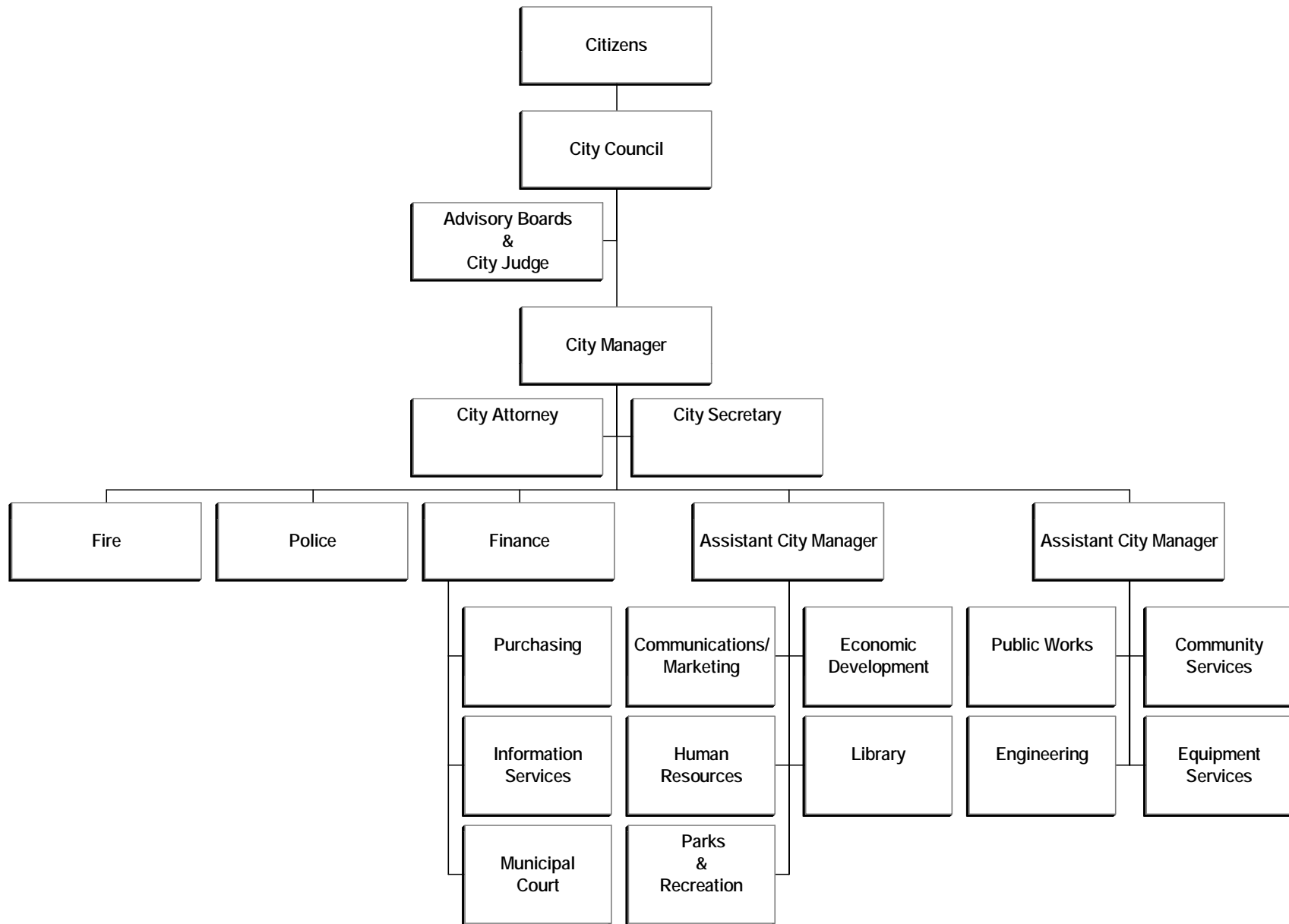
Mayor
Mayor Pro Tem, Place 5
Deputy Mayor Pro Tem, Place 4
Place 1
Place 2
Place 3

Appointed Officials

Gary D. Greer
Shanna Sims-Bradish
Greg Vick
Jerry Murawski
Cindee Peters
Tom Bryson
Michael Spicer
Vacant
Kevin Muenchow
Charles S. Cox
Kyle D. King
Kathleen Shields
Michael Perry
Danita Barber
Jeff Fuller
Sid Fuller
Mark Pavageaux

City Manager
Assistant City Manager
Assistant City Manager
City Engineer
City Secretary
Communications & Marketing Director
Community Services Director
Economic Development Director
Equipment Services Director
Finance Director
Fire Chief
Human Resources Director
Information Services Director
Library Director
Parks & Recreation Director
Police Chief
Public Works Director

City of Farmers Branch





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Farmers Branch
Texas**

For the Fiscal Year Beginning

October 1, 2007

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the City of Farmers Branch for its annual budget for the fiscal year beginning October 1, 2007.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

CITY OF FARMERS BRANCH, TEXAS
2008-09 ADOPTED FISCAL YEAR BUDGET

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CITY OF FARMERS BRANCH, TEXAS
2008-09 ADOPTED FISCAL YEAR BUDGET

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CITY OF FARMERS BRANCH, TEXAS
2008-09 ADOPTED FISCAL YEAR BUDGET

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**FARMERS
BRANCH**



City of Farmers Branch
13000 William Dodson Parkway
Farmers Branch, Texas 75234

September 16, 2008

The Honorable Mayor and
Members of the City Council

The City of Farmers Branch management team is honored to present the 2008-09 budget. This year's budget has been prepared with the objectives of maintaining the financial strength of the City, meeting the needs of citizens and implementing the priorities of the City Council.

Developing the adopted budget was a challenge for staff given low revenue growth and rapidly growing expenditures for energy, fuel, and materials. Anticipating this dilemma, the City right-sized the organization during the summer of 2008 in order to insure economic sustainability while continuing to provide the service levels that residents expect.

City Council Core Values

In June 2008, City Administration met with the City Council to identify a City mission statement, core values, and to seek direction in preparing future budgets. In late June, the City Manager met with Department Directors to develop goals and objectives necessary to meet the direction provided by the City Council. The City Council adopted mission statement is:

“Our Mission at the City of Farmers Branch is to build a vibrant, dynamic community that consistently seeks to improve the quality of life for our residents.”

Ten core values were adopted by the City Council. These core values and the associated departmental strategic goals and objectives are detailed in the pages immediately following this budget message.

The adopted budget was constructed to advance and achieve the core values set by the City Council. Each department was tasked with focusing their efforts towards the priorities set by the Council. Departmental goals and objectives have been planned to support the City Council core values in order to maximize efficiency and effectiveness. A performance measurement system is in development to provide quantitative and/or qualitative data relating to these goals and objectives.

These core values will also be used as a guide in the formulation of future budgets. This budget attempts to allocate the City's financial resources in a balanced and strategic manner. The spending plan, consistent with available resources, is designed to maintain quality facilities and services that improve the quality of life in Farmers Branch.

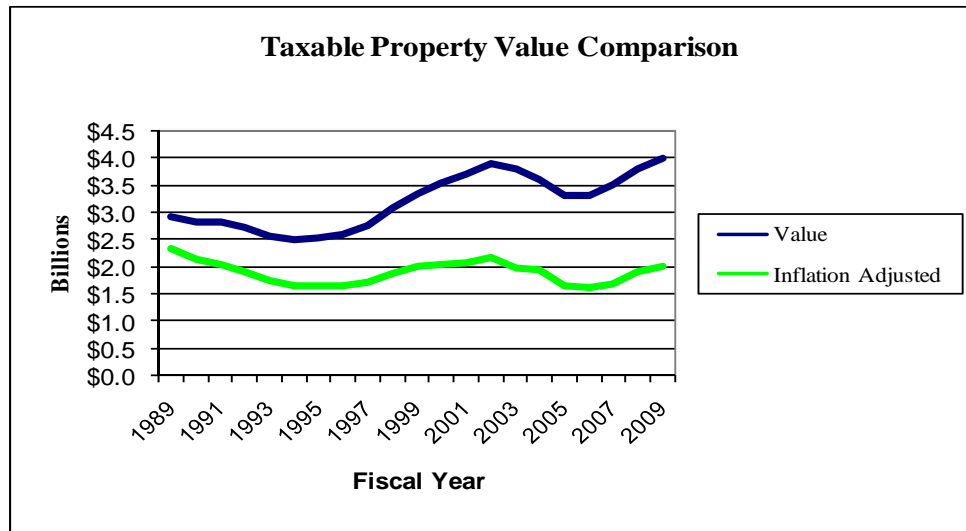
Fiscal Summary

The total 2008-09 budget is adopted at \$93,298,693. This is \$2,086,502 or 2.2% more than was adopted (\$91,262,191) in the 2007-08 budget. The largest portion of this increase is in the Debt Service and Special Revenue Funds for expenditures related respectively to recently added debt and the expansion of a landfill gas collection system. Following is a summary of the budget for each of the fund groups contained in the adopted budget.

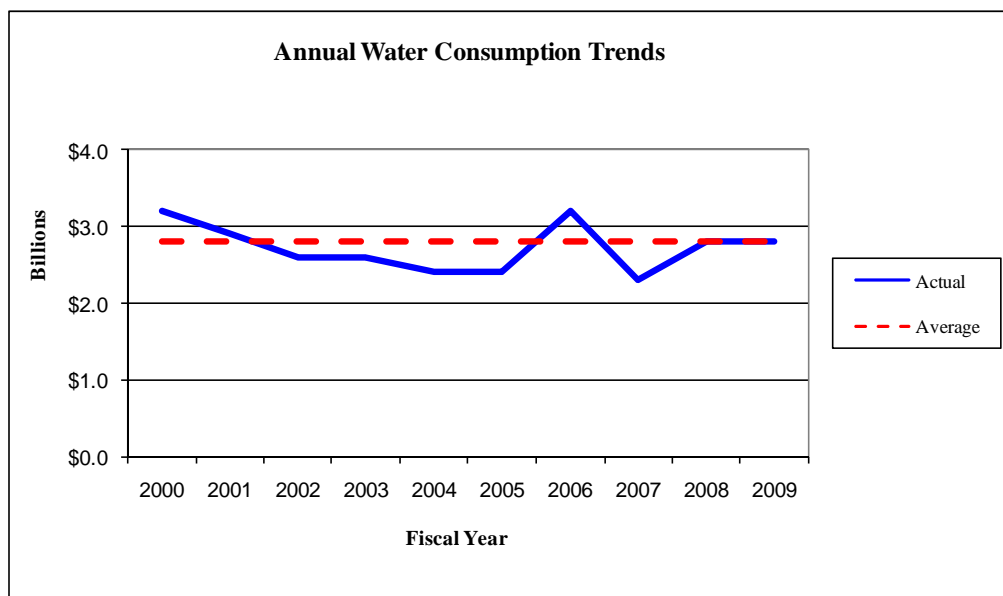
General Fund	\$44,445,000
Water & Sewer Fund	\$14,518,700
Hotel/Motel Fund	\$ 2,830,300
Debt Service	\$ 3,253,600
Special Revenue Funds	<u>\$ 2,583,978</u>
Subtotal Operating	\$67,631,578
Capital Project Funds	<u>\$25,667,115</u>
Total Budget	\$93,298,693

Assumptions

Revenues and expenditures were developed on the basis of certain economic assumptions. As has been clearly exhibited in the past, assumptions are, at best, an estimate as conditions can change significantly. Nevertheless, some assumptions must be used in developing a budget. City Administration attempts to conservatively estimate revenue and expenditure projections in order to assure a reasonable and sustainable fiscal plan. Revenue growth was realized in 2007-08 and is projected to continue minimally in 2008-09 due to a slowdown in the economy. In past years, the City has had the fortune of a strong tax base and fund balances. Though moderate in growth, total taxable values have passed \$4 billion for the first time in the City's history. The commercial tax base, including real and business personal property, now represents a strong 78% of the City's total tax base.



The 2008-09 adopted budget assumes annual sales of 2.8 billion gallons of water. Water consumption is highly dependent on the weather and is budgeted in a conservative manner. A \$2 million fund balance target provides help in evening out the fluctuations between “wet” and “dry” years.



Projected Revenues – Major Operating Funds

The 2008-09 adopted Operating and Capital Improvement Program Budget details General Fund revenues of \$1.6 million more than the 2007-08 year-end amended budget. The adopted budget maintains the property tax rate of 49.45¢ per \$100 valuation. No increase in the property tax rate is adopted. Reflective of slow growth in the economy, overall property values in the adopted budget increased 5.3% with new construction representing 36% of that increase. In 2008-09, sales tax revenues are projected to grow 3% from the 2007-08 year-end amended budget. A gas franchise fee increase from 4% to

5% and an ambulance fee increase is adopted. The expiration of tax abatements on the City's eastside is expected to provide an additional \$1 million in General Fund pay-as-you-go funding to the Non-Bond CIP Fund beginning with the 2009-10 fiscal year.

The 2008-09 adopted budget details Water & Sewer Fund revenues at \$1.5 million more than the 2007-08 year-end amended budget primarily due to an adopted 12% water and sewer rate increase necessary to offset major increases for purchased water, wastewater treatment, and electricity. The last rate increase was in the 2005-06 fiscal year.

Hotel/Motel Fund revenues are adopted at \$23,500 more than in the 2007-08 year-end amended budget.

Adopted Expenditures – Major Operating Funds

The 2008-09 adopted Operating and Capital Improvement Program Budget details General Fund operating expenditures of \$287,500 (or 1%) less than the 2007-08 year-end amended budget. Cities are service organizations as reflected in personnel-related costs representing 75% of this total budget. Increased costs include providing for a 3% across-the-board pay increase, an expected 5% increase in health insurance, a 30% increase in electricity, increased fuel costs, renewed pay-as-you-go street maintenance funding, increased workers compensation funding requirements, and increased employee retirement system funding.

Water & Sewer Fund adopted operating expenditures are \$808,000 more than the 2007-08 year-end amended budget primarily due to increased purchased water and wastewater treatment costs.

Hotel/Motel Fund adopted expenditures are \$282,100 more than the 2007-08 year-end amended budget.

Fund Balances

This budget meets all the multi-year financial objectives approved by the City Council.

The adopted 2008-09 budget estimates that the General Fund balance will be \$8 million at the end of the 2008-09 fiscal year with a most realistic scenario of \$8.6 million. One of the City's multi-year financial objectives is to "formulate future budgets so that no use of fund balance will be required in the final operating results." The estimated final operating results are detailed as an exhibit to the budget, which illustrates the "most realistic scenario." For the General Fund, this difference represents the expectation that expenditures in 2007-08 and 2008-09 will end up \$300,000 less than budgeted, in each fiscal year, due to vacancies or contingency items that were not needed. The City defines a balanced budget as an operating budget where revenues equal or exceed expenditures and no use of fund balance is required. The 2008-09 adopted General Fund budget shows a "most realistic scenario" addition to fund balance of \$801,000 and is therefore considered a balanced budget. The adjusted 75-day General Fund target fund balance is \$8.6 million.

The Water & Sewer Fund target balance is \$2 million. The adopted 2008-09 budget estimates that the Water & Sewer Fund balance will be \$2.1 million at the end of the 2008-09 fiscal year with a most realistic scenario of \$2.3 million. The 2008-09 adopted Water & Sewer Fund budget shows a budgeted addition to fund balance of \$327,800 and a “most realistic scenario” addition to fund balance totaling \$477,800. Therefore, the Water & Sewer Fund budget is considered a balanced budget.

The adopted 2008-09 budget estimates that the Hotel/Motel Fund balance will be \$1.3 million at year-end with a target balance of \$500,000. The primary revenues for this fund are hotel occupancy taxes, which are restricted by state law as to their use. City Administration continues to review ways to most effectively use these revenues in accordance with state law.

Investment in Services, Facilities & People

Employee pay and benefits provided by Metroplex cities continue to increase competition for employees, in particular public safety employees. The adopted budget includes a 3% across-the-board pay increase for all full-time and part-time employees. A compensation study is also included in the adopted budget.

No new full-time or part-time personnel position changes are adopted for 2008-09.

Capital Improvement & Fixed Asset Programs

The Non-Bond CIP Fund details major capital spending plans during the next seven years along with pay-as-you-go funding for major new facilities and public improvements. The 2008-09 adopted budget includes \$25,667,115 for capital improvement projects compared to \$25,541,848 in 2007-08.

Projects adopted in the multi-year Capital Improvement Program (CIP) Budget include:

- Redevelopment Program
- Senior Parking Lot Expansion
- Beautification Projects
- Liberty Plaza
- New Skate Park
- New Animal Shelter
- Webb Chapel Road Rehabilitation
- Midway Road Rehabilitation
- Benchmark Drive Reconstruction
- Light Rail Station Area Development
- Lake Improvements (North of I-635)*
- Knightsbridge Road*
- Bond Street*
- Mercer Parkway Extension*
- Developer Funded TIF Projects*
- Utility Improvements throughout the City
- (*) Tax Increment Finance District Fund

Significant new fixed asset purchases adopted for 2008-09 include: \$402,900 for replacement loader trucks and \$141,500 for a roll-on/roll-off truck in Solid Waste and \$256,500 for replacement police patrol vehicles.

Structural Balance – A Challenge for the Future

As Farmers Branch looks to the future, the City faces some challenges with significant impacts over the next few years. These long-term challenges include:

1. Adequately funding major capital improvements.
2. Supporting legislation that maintains current property tax, appraised value and sales taxation methodologies.
3. Utility, raw material and supply cost increases.
4. Renegotiation of water supply contract.
5. Landfill expansion opportunities/challenges.

A significant concern for the 2008-09 fiscal year relates to landfill revenues. The City contracts with a private firm to manage and operate the Camelot landfill. Competitive pressure and possible consolidation of companies in the waste management industry could negatively impact General Fund revenues during the year. For many years, the landfill has generated revenues in excess of its cost of operation and the cost of providing free twice-a-week residential waste pickup, once-a-week large/bulk item pickup, and semi-annual free garbage bag delivery. If landfill revenues sharply decline, the City staff will seriously consider proposing changes in service levels and a monthly residential garbage pickup fee for Council consideration.

As the City plans for the future, properly managed growth and development are directly related to increased property values and thus property tax revenues. In planning for the future, focused, efficient and effective financial planning must take place to balance the needs of the community with available resources. Future budgets will require the City to prioritize and invest in ways that create a sustainable return on our investment.

Acknowledgements

The challenges and opportunities of the coming year will be many as we embark upon a new era of change and prosperity. The preparation of this budget has been completed in a time of shifting economic conditions, priorities and goals. Charles Cox, Finance Director, along with his staff Mayve Strong, Chief Accountant, and Suzanne Prichard, Finance Technician deserve praise for their leadership and guidance in preparing a professional, citizen friendly document. Traci Leach, Management Analyst, has greatly enhanced the budget process as an effective budget analyst. Additional gratitude goes to Assistant City Managers Greg Vick and Shanna Sims-Bradish, the Department Heads and employees for their hard work and determination to prepare this budget.

Finally, City Administration would like to thank the Mayor and City Council for their leadership and direction. It is a pleasure to work for a governing body that cares so much about their community and committed to improving the quality of life for its citizens. We look forward to carrying out the approved budget and serving the citizens of Farmers Branch.

Sincerely,

A handwritten signature in black ink, reading "Gary D. Greer". The signature is written in a cursive, flowing style with a large initial "G".

Gary D. Greer
City Manager

Relationship between Council Citywide Goals and Departmental Goals

CITY COUNCIL CORE VALUES/GOALS

		General Administration	Communications	Economic Development/Tourism	Human Resources	Finance	Community Services	Engineering	Public Works	Police	Fire	Parks	Library	Equipment Services
Core Value 1	<u><i>Provide safety and security of citizens, visitors and businesses through progressive public safety programs.</i></u>						X			X				
1	Complete Insurance Service Office review and receive Class 2 or better rating.										X			
2	Increase fire inspections by two percent.										X			
3	Arrive on scene for emergency fire and rescue calls under five minutes 50% of the time.										X			
4	Arrive on scene for emergency ambulance calls under five minutes 60% of the time.										X			
5	Secure more patrol/traffic enforcement hours for police by 10%.									X				
6	Use programs (287g, CAP Program) to decrease number of criminal illegal aliens in the community.									X				
7	Evaluate options for constructing indoor firing range.									X				
Core Value 2	<u><i>Provide sustainable growth and a strong, diversified economic base by engaging in aggressive economic development activities and programs.</i></u>													
8	Update economic development strategy.			X										
9	Increase the number of net jobs in the community by 10%.			X										
10	Increase the number of net square feet of business activity in the city by 10%.			X										
11	Secure three major business locations and three business retentions.			X										
12	Increase the number of room nights by five percent generated for the hotel sector by CVB staff or CVB programs.			X										
Core Value 3	<u><i>Provide strong, thriving commercial and residential neighborhoods through planning, land use, development, code enforcement, revitalization activities, and programs.</i></u>						X							
13	Begin update of the Central Area comprehensive plan with emphasis on preservation and revitalization of residential neighborhoods.						X							
14	Increase voluntary compliance response to initial code violation correction notices within first nine days by five percent through increased public awareness of property maintenance regulations.						X							
15	Review codes and revise as necessary to better prioritize issues of greatest concern and improve overall program effectiveness.						X							
16	Implement single family home rental license program.						X							
17	Begin update of East Side comprehensive plan (for area of city east of Midway Road).						X							
18	Expedite and approve three new major development projects (new construction in excess of \$5 million).			X			X							
19	Work with redevelopment consultant to purchase and raze one project for redevelopment.			X			X							
20	Complete infrastructure and begin construction of one commercial project in the Farmers Branch Station.						X	X						
21	Evaluate effectiveness and value of housing incentive programs.		X											
22	Develop marketing strategy for Four Corners redevelopment and implement plan.		X	X										

Relationship between Council Citywide Goals and Departmental Goals

CITY COUNCIL CORE VALUES/GOALS

		General Administration	Communications	Economic Development/Tourism	Human Resources	Finance	Community Services	Engineering	Public Works	Police	Fire	Parks	Library	Equipment Services
Core Value 4	<u><i>Provide beautifully maintained natural environments, parks, rights-of-way and green space, and a wide variety of quality recreational and entertainment opportunities for all ages.</i></u>								X			X	X	
23	Complete first and second phase of Liberty Plaza construction.							X						
24	Complete beautification project on Valley View and Webb Chapel Road.							X						
25	Construct bridge in Historical Park.							X						
26	Complete rose garden in Historical Park.											X		
27	Complete trail master plan.											X		
28	Continue a community rose program.											X		
29	Develop a program to expand the number of trees planted in the City.											X		
30	Develop plan for a signature annual event that attracts people into Farmers Branch.											X		
31	Expand holiday lighting program (IH 635).											X		
32	Develop a "Keep Farmers Branch Beautiful" program.								X			X		
33	Prepare a green/environmental report and develop strategies for implementation.	X												
Core Value 5	<u><i>Provide functional, sustainable and well-maintained infrastructure, facilities and equipment.</i></u>						X	X	X		X	X		X
34	Develop a funding strategy to achieve substantial completion of 18 lane miles of street resurfacing and 4,000 linear feet of sewer and water line rehabilitation.							X	X					
35	Begin process for expansion of the landfill.								X					
36	Create Mercer Crossing Public Improvement District.							X						
37	Design and construct expanded parking at the Senior Center.							X						
38	Continue streetscape enhancements throughout the City.							X						
39	Develop a comprehensive fleet management program to minimize costs and maximize utilization.													X
40	Create and implement a comprehensive fleet sharing plan and an economy vehicle replacement plan based on life-cycle costing.													X
41	Finalize plan for a new operations maintenance center.													X
42	Complete construction of an Animal Shelter.						X							
43	Identify site and purchase Fire Station No. 1 location according to response time data.										X			
44	Complete installation to acoustical materials to alleviate the amount of noise that travels throughout the Library building.												X	
Core Value 6	<u><i>Provide for the recruitment, retention and continual motivation of educated and experienced employees.</i></u>									X	X			
45	Increase hours of training for all departments.				X									
46	Establish Disney Institute trainer and develop and implement program.				X									
47	Conduct a compensation study.				X									
48	Develop and implement a staff recognition program.				X									
49	Modify wellness program to increase number of employees qualifying for discounts by five percent.				X									
50	Develop plan to assure sustainability of TMRS program.					X								

Relationship between Council Citywide Goals and Departmental Goals

CITY COUNCIL CORE VALUES/GOALS

		General Administration	Communications	Economic Development/Tourism	Human Resources	Finance	Community Services	Engineering	Public Works	Police	Fire	Parks	Library	Equipment Services
Core Value 7	<u><i>Provide efficient and fiscally sound government through conservative budgeting, spending and resource management.</i></u>								X	X				
51	Maintain the city tax rate.					X								
52	Conduct a revenue audit to secure proper revenues and evaluate new and existing revenue sources.					X								
53	Develop a plan to incrementally increase cash balance levels in the General Fund (90 day reserve).					X								
54	Support legislative efforts to maintain control of fiscal matters by the City Council.					X								
55	"Right-size" the organization to provide sustainability.	X				X								
56	Conduct an efficiency audit on three departments to seek possible efficiency measures.	X				X								
57	Conclude study of possible consolidation of departments.	X												
58	Increase grant and external funding dollars awarded by 20%.	X				X				X				
Core Value 8	<u><i>Provide extensive communication opportunities for informing citizens and allowing for proper input on City operations, programs and policies.</i></u>									X	X			
59	Complete update to the City Website.		X											
60	Upgrade video/audio equipment to improve FBTB productions.		X											
61	Expand availability of new resident information booklet.		X											
62	Conduct two town hall meetings.	X												
63	Evaluate face-to-face contacts with the public and implement ideas that enhance those interactions and improve customer service.	X												
Core Value 9	<u><i>Provide responsive and timely service to citizens, visitors and businesses.</i></u>					X								
64	Achieve resident and business satisfaction with municipal services of at least 80%.	X												
65	Enlist Corporate Communication Committee/Business Community Relations Board to solicit input.	X												
Core Value 10	<u><i>Provide quality government services with ethics and integrity.</i></u>													
66	Ensure that all employees throughout the organization are aware of the ethical standard expected for City employees.	X			X									

Note: The shaded goals will be measured beginning in fiscal year 2009-2010. More detail on data to be measured is listed on the departmental Performance Measurement Schedule, which follows.

PERFORMANCE MEASUREMENT SCHEDULE by Department

(to be implemented in the 2009-10 fiscal year)

Administration

percentage of citizens rating the quality of life as excellent or good - citizen survey
percentage of records retention schedules adhered to
number of "critical" records available in electronic format
percentage of City Council goals significantly accomplished
percentage of special projects that are accomplished to the satisfaction of staff and City Council

Communications & Marketing

number of Branch Mail dispatches
number of Branch Mail subscribers
percentage of residents rating City media as useful - citizen survey
number of PSA's produced for FBTV
number of Branch Bulletin shows produced for FBTV
number of Web hits per month/year

Community Services

Code Enforcement

Housing Conditions Survey results
Property Conditions Survey results
compliance time - time from complaint filed to when the violation is abated

Building Inspection

plan review time - time from submittal to approval of building permit
inspection time - time from request for an inspection to when the inspection is performed

Animal Services

adoption rate

Food Sanitation

number of critical violations per inspection

Stormwater

number of storm water complaints

Planning

percentage of zoning or SUP cases completed within 90 calendar days

Economic Development

number of new companies
number of new jobs - new companies
number of new square feet added - new businesses
number of expanding businesses
number of new jobs by expanding businesses
number of new square feet added by expanding businesses
net office absorption
net warehouse absorption - large only
hotel occupancy tax revenue - CVB staff bookings
hotel room nights - CVB staffing books
revenue and room nights from Transportation Fund and Travel Click programs

PERFORMANCE MEASUREMENT SCHEDULE by Department

(to be implemented in the 2009-10 fiscal year)

Engineering

percentage of site plans reviewed within 5 business days
percentage of construction plans and plats reviewed within 10 business days
percentage of misc. plans reviewed within 10 business days
percentage of right-of-way permits processed within 5 business days
percentage of floodplain permits processed within 5 business days
percentage of projects with change orders resulting in a higher total project amount
percentage of consultant design projects under design within schedule
percentage of consultant design project completed within schedule
percentage of construction projects under construction within schedule
percentage of construction projects completed within schedule
number of lane miles repaired (combined measure with Public Works Department)
percentage of streets evaluated
number of linear feet water/sewer line rehab completed
percentage of developer traffic studies reviewed with 5 business days
percentage of speed studies performed within 10 business days
percentage of parking complaints evaluated within 5 business days

Equipment Services

fuel economy - mileage driven - light duty vehicles
fuel economy - mileage driven - heavy duty vehicles
fuel economy - hours driven - light duty vehicles
fuel economy - hours driven - heavy duty vehicles
number of repairs found during preventive maintenance
preventive maintenance vs. repair percentage
scheduled vs. unscheduled percentage
uptime percentage
break-down percentage (preventable to non-preventable)
return to work percentage
customer service rating - responsiveness
customer service rating - quality
customer service rating - attitude

Finance

court collections rate
network uptime percentage
percentage of target fund balance achieved
investment portfolio performance to benchmark
payroll check accuracy rate
TMRS liability funding percentage
utility billing accuracy rate
internal customer service rating (Purchasing Division)

Fire

arrival within 5 minutes or less by a fire engine 50% of the time
arrival within 5 minutes or less by an ambulance 60% of the time
100% completion of commercial fire inspections within a 23 month cycle
average number of training hours per Fire Fighter
number of lost time accidents over 7 days
percentage of citizens satisfied with Fire and EMS services - citizen survey

PERFORMANCE MEASUREMENT SCHEDULE by Department

(to be implemented in the 2009-10 fiscal year)

Human Resources

number of grievances received
number of training hours conducted - percentage increase
average hours of training per employee - city-wide
internal training satisfaction score
number of applications received and reviewed
number of full-time regular hires
number of part-time and temporary hires
turnover rate for fulltime employees
number of worker injury reports
number of worker claims filed
percentage increase in employees participating in Hip Hop reduced premium program
percentage increase of attendees at the Health Fair
internal survey - recruitment - overall satisfaction
internal survey - classification - overall satisfaction
internal survey - benefits - overall satisfaction
internal survey - training - overall satisfaction
internal survey - all services - overall satisfaction

Library

circulation per capita
turnover rate of the collection
age of collection - percentage of collection that is 10 years old or less
number of reference questions answered
number of visits
number of people attending library programs
number of participants in outreach programs
percentage of citizens satisfied with library services - citizen survey

Parks and Recreation

percentage increase in square feet of rose gardens in the city
percentage increase in donations for Fishin' Fun and Game Night
percentage increase in participation in Adopt-A-Park
percentage increase for ages 13-15 participating in summer programs
percentage increase in number of teams in adult softball
percentage of citizens satisfied with the condition of parks and facilities - citizen survey
percentage of citizens utilizing parks and facilities on a regular basis- citizen survey
percentage of citizens satisfied with the quality of programming - citizen survey
percentage increase in attendees at Historical Park
average response time on emergency facility work orders

PERFORMANCE MEASUREMENT SCHEDULE by Department

(to be implemented in the 2009-10 fiscal year)

Police

UCR Part I - violent and property crimes (daytime and nighttime population)
enforcement statistics
accidents
traffic stops
response times
STEP grant hours worked
uninsured vehicles towed
patrol hours
clearance rates on UCR crime stats
problem solving projects initiated
ICE referrals
number of proactive calling cards distributed
grant money awarded
employee training hours
number of employees passing fitness test
employee turnover
percentage of citizens satisfied with police services - city survey
number of citizens participating in Citizens Police Academy
number of volunteer hours utilized
number of Citizens on Patrol hours
number of public presentations
number of young people attending presentations

Public Works

total recycling tonnage collected
total residential tonnage collected
total brush and bulky tonnage collected
Citizen Collection Center tonnage collected
number of lane miles repaired (combined measure with Engineering Department)
square yards of sidewalk repairs
number of lane miles swept
number of sewer stoppages/overflows
meter reading accuracy rate
percentage of citizens satisfied with street sweeping - citizen survey
percentage of citizens satisfied with the condition of streets - citizen survey
percentage of citizens satisfied with trash removal - citizen survey
number of traffic accidents at major intersections
number of vehicles per day on key streets (neighborhoods)
85th percentile speed on key streets (neighborhoods)

FARMERS BRANCH PROFILE

The City of Farmers Branch is a political subdivision and home rule municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1946 with an election on February 23rd and first adopted its Home Rule Charter in 1956. The City operates under a Council/Manager form of government governed by an elected Mayor and a five-member council elected at large. The term of office is three years, with the terms of the Mayor and three of the Councilmember's terms expiring in even-numbered years and the terms of two other Councilmember's expiring in odd-numbered years. The City Manager is the Chief Administrative Officer for the City. Some of the services that the City provides are: public safety (police and fire protection), streets, water and sanitary sewer utilities, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. The population during the City's year of incorporation was 800. The 2000 U.S. Census population for the City is 27,508, while the estimated 2008 population is 28,750 and the estimated daytime population is 91,900 as the business community commutes to the City's many high-rise office buildings and industrial parks.

History

Farmers Branch was settled in 1842 by Thomas Keenan and his wife Sarah. The area was called Mustang, as part of Peter's Colony, but later changed to Farmers Branch due to the rich soil and flourishing crops. The settlement originally included all of the land between White Rock Creek on the east, the Elm Fork of the Trinity on the west, the Dallas County line on the north, and Cedar Springs on the south.

John Keenan was the first child born in Farmers Branch, but died two months later. He is buried in the Keenan Cemetery located on Valley View Lane, part of the original Keenan land.

Farmers Branch was widely advertised both in the East and in Europe. During the years 1845-1850, it was the best known of all of the Texas settlements. The settlers were, for the most part, fairly well educated.

A blacksmith shop and gristmill started in 1845 by the Reverend William Bowles, a Baptist minister. The same year, Isaac Webb donated land for Webb's Chapel Methodist Church, which also served as the first school in the county. Mr. Webb also served as the first postmaster when the Farmers Branch Post Office was established in 1848.

Other early settlers include Dr. Samuel Gilbert and his wife Julia. The couple lived with Isaac Webb until their home was completed in a grove of stately Post Oak trees. The Gilbert House consists of two-foot thick limestone walls and chestnut plank floors. The Gilbert House, located in the Farmers Branch Historical Park, is the oldest rock structure in Dallas County that is still on its original foundation.

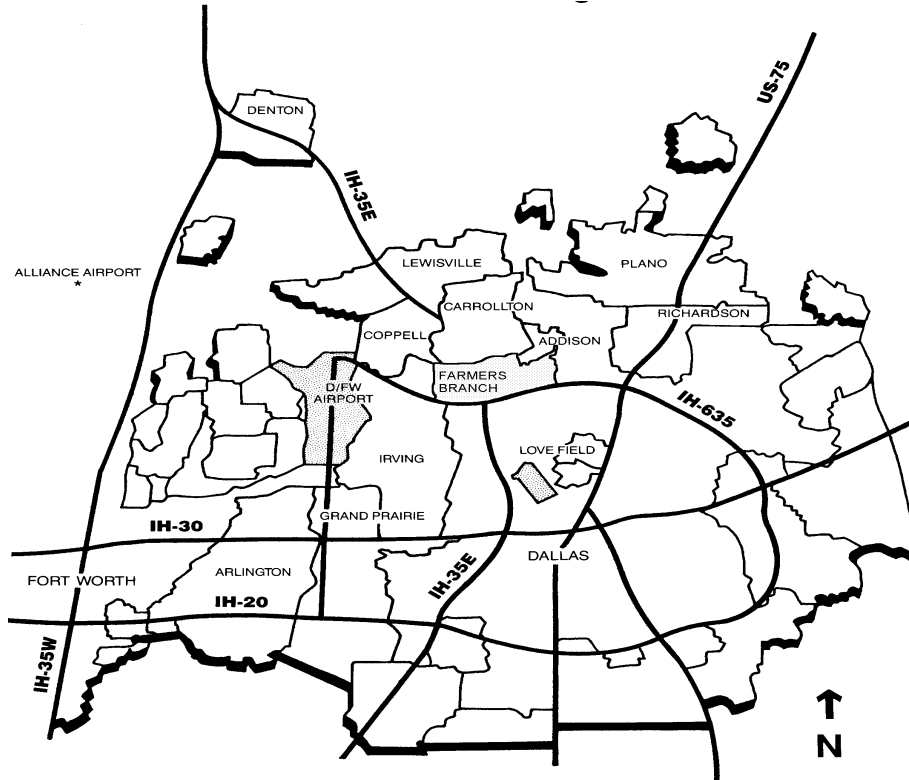
The first school was not well located and a new one was built about a mile northwest of the first on Rawhide Creek. Rawhide Creek was named from the first tanning yard in the county built by R.J. West. Due to the demand for leather, Mr. West did not allow the hides to cure in the vats long enough so that when they became dry they were extremely hard.

In 1874, to assure that railroads would come to Farmers Branch, Dr. Gilbert and other local settlers sold right-of-way through their land. Around 1877, the Dallas and Wichita Railroad built a depot. The original depot has been restored and relocated to the Farmers Branch Historical Park.

There are many interesting tales of happenings in the Farmers Branch settlement, Indian raids on pumpkin patches, bears in the wilderness, and the like. The last buffalo seen east of the Elm Fork of the Trinity River was killed in early 1846 in a small glade about two miles southwest of the town now known as Farmers Branch. (This is approximately present day Royal Lane and Luna Road.)

The City

The City covers approximately 12.5 square miles and is conveniently located on Dallas' northern border, in the heart of an 11-county area that has emerged as a premier commercial, financial and trading center. This favorable business climate is driven by the City's location as it is bordered by two major interstate highways and the Dallas North Tollway. The Dallas/Fort Worth International Airport is only 10 minutes away from the City's west border and Dallas Love Field is less than 15 minutes down the freeway.



The City's broadly diversified economic base supports home furnishings, financial, high-tech, insurance, and telecommunications industries and includes many of the nation's foremost businesses. The City is the location of choice for 70 corporate headquarters, 24 Fortune 500 corporations, and approximately 2,200 small and mid-size firms. Some of the reasons that these enterprises chose the City as a local or regional business center include: the City's strategic Southwest location, convenience to local and worldwide transportation, low municipal tax rate, abundant labor, educational and cultural resources, and overall quality of life.

Three creeks traverse the City and there are more than 20 parks filled with picnic areas, bridges, playgrounds, walking areas and natural surroundings. Farmers Branch has preserved history in its 22-acre Historical Park which takes visitors on a "walk back through time" to the days of the early settlers in the 1800s. The Historical Park is also the site for many of the City's special events, including a Fourth of July event and Holiday Lighting Ceremony and drive-thru, and may be reserved for weddings, parties, family reunions, and other special gatherings.

Tax Base

Farmers Branch is able to provide many top-quality services to residents because approximately 78% of the tax base comes from the business community. In addition, the City has raised taxes only three times in more than 30 years and continues to boast that Farmers Branch has one of the lowest municipal tax rates in the metroplex. The top ten largest property tax payers for the current tax year are as follows:

TAXPAYER	NATURE OF PROPERTY	TAXABLE VALUE	PERCENTAGE OF TOTAL CERTIFIED TAXABLE VALUE
TCI Park West Inc.	Real Estate	\$ 122,338,140	3.04%
Occidental Tower Corporation	Chemical Production	96,980,480	2.41%
AT&T/Southwestern Bell/Cingular	Telecommunications	84,297,190	2.10%
SP4 Providence Towers LP	Real Estate Developers	72,154,320	1.79%
Maxim	Semiconductor Manufacturing/Packaging	63,794,150	1.59%
Glazers Wholesale	Spirit and Wine Distribution	57,408,590	1.43%
Lakeview at Parkside	Real Estate	43,840,390	1.09%
Daltex Centre LP	Real Estate Developers	40,747,350	1.01%
Realty Assoc Fund VIII LP	Commercial Real Estate	40,486,360	1.01%
Quebecor Printing Dallas	Printing	40,392,711	1.00%
		<u>\$ 662,439,681</u>	<u>16.47%</u>

Special Services

Some of the special services offered in Farmers Branch include twice-weekly garbage collection with no fee, free transportation to and from the Senior Center for those who have no other means of transportation and an after school program for elementary school children. Citizens also enjoy informational programs seven days a week on the City's Cable Access Channel 16 – FBTv, WPIW 1670 AM radio station and receive a monthly city newsletter. The Police Department offers a free House Watch program for residents who are away from home, as well as other specialized services.

Education

Education for the school age children in Farmers Branch is provided by two different school districts dependent upon where a family resides. The City is served by the Carrollton-Farmers Branch and Dallas Independent School District's. The majority of the City's residents are part of the Carrollton-Farmers Branch ISD, which encompasses a 53.42 square mile area and provides a quality educational system that believes in the importance of a strong community-school relationship. This belief, combined with a strong financial base, makes the Carrollton-Farmers Branch ISD a star attraction in the Dallas-Fort Worth metroplex. The District created the R.L. Turner High School Academies for Biomedical Professions and Media Arts & Technology to serve growing demand for these professions.

Nine major Texas universities and colleges are located within easy driving distance of Farmers Branch. They include Brookhaven Community College, the University of Dallas, Texas Christian University, Texas Woman's University, Southern Methodist University, the University of North Texas, the University of Texas at Arlington, the University of Texas Southwest Medical Center, and the University of Texas at Dallas.

Health Care

Farmers Branch is fortunate to have top-quality medical facilities like RHD Memorial Medical Center. There are numerous other major medical facilities only minutes away.

Community Services

Above are just a few of the special benefits offered in Farmers Branch. However, what makes Farmers Branch so unique is its residents. The people of Farmers Branch are concerned, involved and proud of their community. That's what makes us, "A Cut Above the Rest!"

Census Snapshot

DEMOGRAPHICS		
	1990	2000
City Population	24,250	27,508
Area (Square Miles)	12.1	12.1
Median Age	31.1	34.7
Percent of Population by Age Group		
Residents of Ages 0 to 19	26.95%	28.52%
Residents of Ages 20 to 34	25.14%	21.99%
Residents of Ages 35 to 54	26.81%	28.01%
Residents of Ages 55 to 64	11.46%	9.33%
Residents of Ages 65 and Older	9.64%	12.13%
Total Persons of Working Age (16 years & older)	19,012	21,553
Employment by Occupations		
Mgmt., Profess. & Related Occupations	28.31%	32.30%
Service	13.80%	13.30%
Sales and Office	35.55%	29.70%
Farming and Forestry	0.89%	0.20%
Construction, Production and Maint.	10.05%	9.40%
Operators, Trans. & Material Moving	11.40%	15.20%
Population by Income Level		
Per Capita Income	\$ 17,122	\$ 24,921
Median Family Income	\$ 41,815	\$ 57,531
Population by Highest Education Level (% of Population 25 Years & Older)		
Less Than 9th Grade	8.7%	11.9%
9th to 12th Grade, No Diploma	11.8%	11.9%
High School Graduate (includes equiv.)	25.1%	21.9%
Some College, No Degree	23.7%	22.8%
Associate Degree	5.6%	4.2%
Bachelor's Degree	18.6%	19.4%
Graduate or Professional Degree	6.5%	7.8%
Population by Race & Ethnicity		
White	84.9%	78.4%
Black or African American	2.8%	2.4%
American Indian	0.7%	0.5%
Asian or Pacific Islander	2.3%	3.0%
Other	9.3%	13.0%
Persons Reporting Two or More Races	0.0%	2.7%
Hispanic or Latino (of any race)	20.2%	37.2%
Occupied Housing Units	8,771	9,766
Owner-Occupied Housing Units	6,107	6,642
Renter-Occupied Housing Units	2,664	3,124
Households by Income	8,859	9,885
Less than \$10,000	5.81%	3.70%
\$10,000 to \$14,999	5.86%	3.00%
\$15,000 to \$24,999	16.11%	8.30%
\$25,000 to \$34,999	16.13%	12.20%
\$35,000 to \$49,999	22.20%	17.00%
\$50,000 to \$74,999	20.00%	23.60%
\$75,000 to \$99,999	7.04%	12.50%
\$100,000 to \$149,999	4.55%	11.90%
\$150,000 to \$199,999	2.30%	4.00%
\$200,000 or more	N/A	3.80%

Source: U.S. Census Bureau

TOP TEN EMPLOYERS		
Company	Product	Employees
IBM Corporation	Office Products	3,200
JPMorgan Investment Serv.	Financial Services	2,390
Maxim Integrated	Semiconductor Manufacturing	1,352
Federal Government - IRS	Government	1,200
GEICO	Insurance	1,200
Essilor Labs of America	Eye Wear	1,200
Tuesday Morning	Retail - General Merchandise	1,000
Televisa	Telecommunications	950
AT&T	Telecommunications	830
TD Industries	HVAC	811
BUSINESS CATEGORIES		
2nd Qtr. 2007 thru 1st Qtr. 2008		
Business Classification	Taxable Sales Per Capita	
Retail Trade	\$ 416,813,246	
Wholesale Trade	229,929,326	
Administrative Support and Waste Mgmt. & Remediation Serv.	100,158,621	
Construction	98,869,647	
Accommodation and Food Services	56,366,414	
Manufacturing	54,377,749	
Professional, Scientific and Technical Services	46,856,354	
Other Services	25,341,428	
Information	18,735,970	
Real Estate and Rental and Leasing	16,836,025	
Arts, Entertainment and Recreation	15,273,454	
Finance and Insurance	5,827,470	
Educational Services	13,967	
Number of Businesses in Farmers Branch (approximate)	2,300	
Number of Registered Voters	14,417	
Estimated Population per North Central Texas Council of of Governments	28,750	
Estimated Daytime Population	91,900	

BUDGET PROCESS OVERVIEW

What is a Budget?

A budget is a financial and operating plan for a City for a period called a "fiscal year." The City of Farmers Branch's fiscal year begins on October 1 and ends on September 30. The fiscal year that begins on October 1, 2008 is referred to as "Fiscal Year 2009." The budget is considered a financial plan, a policy plan, an operating guide, and a communications device.

The City cannot spend money unless it is appropriated within the budget. An appropriation is the legal approval given by the City Council to the City staff to spend money for a specific purpose. The budget also contains an estimate of revenues to be received by the City during the same time period. The legal authorization to collect revenues, such as property tax, utility charges, franchise fees, and user fees, is provided by City Council by ordinance. Also included in the budget is the estimate of monies left over from the prior fiscal year that can be spent and appropriated in the new year. This money is called available or undesignated and unreserved fund balance. The City Charter provides that a portion of undesignated fund balance may be set aside to meet unexpected and unforeseen contingencies in the current operating costs of any project budget.

The Budget Document

The budget document begins with a transmittal letter from the City Manager. This letter summarizes the contents of the budget and provides an explanation of the rationale used by the City Manager during the budget development process. The City Manager also outlines the administration's work program for the upcoming year.

The budget document is divided into nine sections. The first section contains an overview of the City's budget through the budget transmittal, budget process and organizational charts, as well as budget summary information in graph and table form on all the operating funds of the City. Also included in this section is a detail of budgetary policies relating to financial management and accounting practices. The next seven sections each concentrate on a particular fund of the City. The final section contains a glossary, personnel staffing summaries and budget ordinances.

The Budget Process: How is the budget prepared, adopted and amended?

The City Charter provides that the City Manager must prepare a proposed budget to be submitted to the City Council prior to August 1st each year. Prior to that date, department heads prepare budgets for their departments. These budgets are then compiled into a budget for the entire City by the Finance Department. These budget proposals are then reviewed by the City Manager, Assistant City Managers, Director of Finance, and the department head. The City Manager then submits a recommended budget to the City Council. Public hearings are then conducted, at which time all interested persons' comments concerning the budget are heard. After adoption by City Council, a budget may be amended by ordinance any time during the fiscal year to account for unusual or unforeseen conditions that occurred subsequent to the original budget adoption. The budget is generally amended at mid-year and year-end. The Year-End Amended Budget is based upon estimated current year actuals. The budget ordinance provides that the City Manager may transfer unencumbered appropriations within a department, but not between funds, without a budget amendment.

Strategic Planning – Ideal Timeline

January	City Council Retreat <ul style="list-style-type: none">• Review of the City's Financial Condition• Review of Citizen Survey Results• City Council Goal Setting Council Review of Comprehensive Annual Financial Report
February	Department Head Retreat <ul style="list-style-type: none">• Objective Setting to Advance Council Goals• Identification of Specific Projects / Initiatives to Meet City Council Goals
March	Refine Performance Measures Based on City Council Goals Internal Review of Mid-Year Budget Requests Performance Measures Reported to ICMA (for prior fiscal year)
April	Internal Review of Mid-Year Budget Requests
May	Council Elections Mid-Year Budget Amendments Considered by City Council Internal Review of Departmental Budgets for Next Fiscal Year
June	Internal Review of Departmental Budgets for Next Fiscal Year Conduct Internal Satisfaction Survey Town Hall Meeting
July	Mid-Year Progress Report on City Council Strategic Goals Internal Review of Departmental Budgets for Next Fiscal Year City Manager's Proposed Budget Submitted – July 31 st
August	Budget Briefing(s)
September	Budget Public Hearings City Council Approval of the Budget
October	Fiscal Year Begins Begin Tracking Performance Measures National Night Out Neighborhood Gatherings Conduct Citizen Survey
November	Town Hall Meeting
December	City Council Goals Evaluation Report Performance Measure Summary Report (from prior fiscal year)

Truth in Taxation

State “truth-in-taxation” laws give taxpayers a voice in decisions that affect their property tax rates. Beginning in early August, the City takes the first step toward adopting a tax rate and complying with these laws by calculating and publishing the effective and rollback tax rates. The City publishes the rates in a local newspaper, along with a list of the debts it must pay and the amount of money left over from the previous year.

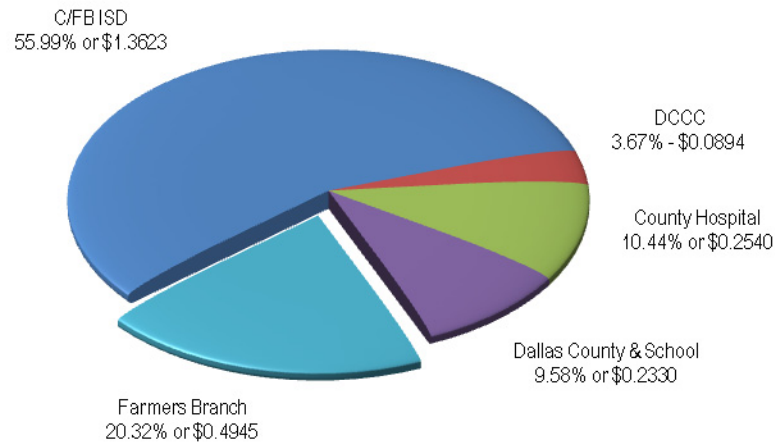
The effective tax rate would provide the City with approximately the same amount of revenue it had the year before on properties taxed in both years. For example, if property values go up, the effective tax rate goes down. Comparing the effective tax rate to the City's proposed tax rate tells you whether there will be a tax revenue increase.

The rollback tax rate provides the City approximately the same amount of tax revenue it spent the previous year for day-to-day operations plus an extra eight percent (8%) cushion, and sufficient funds to pay its debts in the coming year. If the City adopts a tax rate that is higher than the rollback rate voters in the City can petition calling for an election to rollback or limit the size of the tax revenue increase.

WHERE YOUR TAX \$ GOES

Overlapping Property Tax Rates 2008-09

City % (Rounded)	
1985	30%
1986	29%
1987	26%
1988	27%
1989	24%
1990	24%
1991	20%
1992	19%
1993	19%
1994	19%
1995	19%
1996	19%
1997	19%
1998	18%
1999	18%
2000	18%
2001	17%
2002	16%
2003	16%
2004	17%
2005	17.5%
2006	17.2%
2007	18.10%
2008	20.36%
2009	20.32%



The total overlapping taxes for our citizens currently are \$2.4332 per \$100 valuation.

Your Property Tax Dollars at Work

2008-09 Adopted Budget

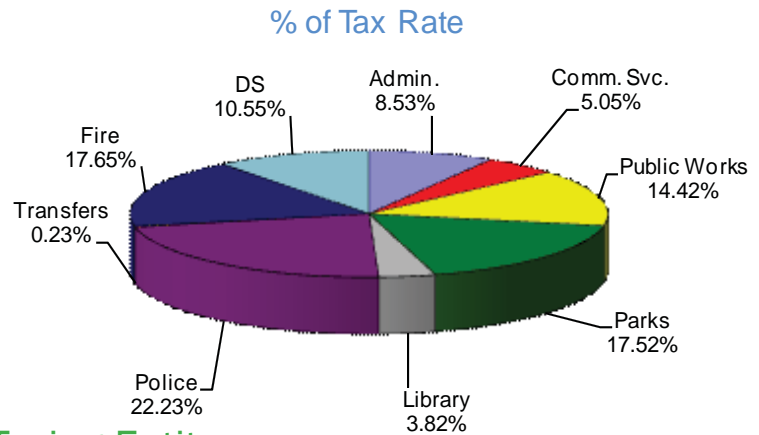


**FARMERS
BRANCH**

How Your Property Tax Dollar is Distributed Among City Services

The property tax rate of \$0.4945 is levied per \$100 of assessed value. The 2008-09 adopted budget includes \$44,445,000 in expenditures (including CIP transfers). The chart below shows the allocation of the tax rate based on this expenditure amount for each department. Administration includes City Manager's Office, Communications, Economic Development, Human Resources, and Finance.

Cents on the Tax Rate	
Police	\$0.10995
Parks	\$0.08666
Fire	\$0.08727
Public Works	\$0.07130
Debt Service	\$0.05216
Administration	\$0.04218
Community Services	\$0.02498
Library	\$0.01888
Transfers	\$0.00112



Distribution of Total Tax Rate by Taxing Entity

The City's tax rate comprises only a small portion of your total property tax bill. The City of Farmers Branch comprises only 20% of the total tax bill. Other taxing entities make up the majority of the tax bill each year.

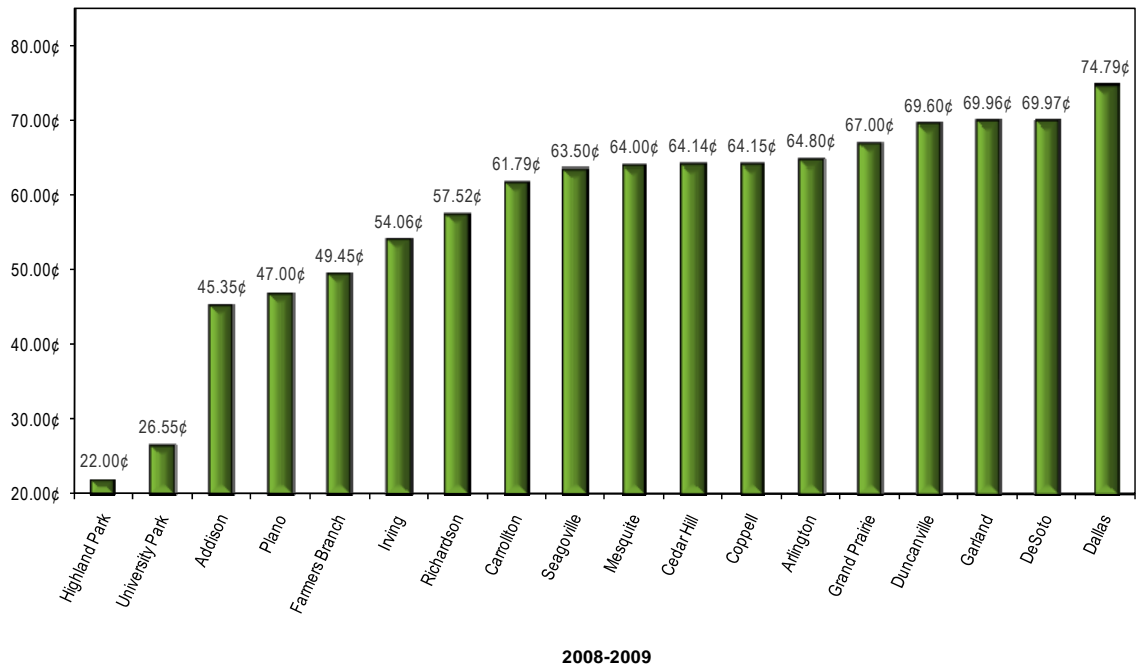
Taxing Entity	2008-09 Tax Rate	Percent of Total Tax Bill
Carrollton-Farmers Branch ISD	\$1.36230	56%
Parkland Hospital	\$0.25400	10%
Dallas County	\$0.23303	10%
Dallas Co. Comm. College	\$0.08940	4%
City of Farmers Branch	\$0.49450	20%

What Property Taxpayers Pay for City Services

Department	Homeowners Pay		Actual Cost to City (per Household)
	With Homestead	Homestead & Over 65	
Police	\$132.06	\$66.09	\$1,038.42
Fire	\$104.81	\$52.45	\$824.15
Parks	\$104.09	\$52.09	\$818.46
Public Works	\$85.64	\$42.85	\$673.39
Debt Service	\$62.64	\$31.35	\$492.59
Administration	\$50.65	\$25.35	\$398.28
Community Services	\$30.00	\$15.01	\$235.91
Library	\$22.68	\$11.35	\$178.32
Transfers	\$1.34	\$0.67	\$10.57
Total	\$593.91	\$297.21	\$4,670.09

- Value of the average Farmers Branch home is \$150,128
- Other revenues, such as sales tax, franchise fees, and other fees, plus property taxes paid by businesses, make up the difference between the amount of property taxes paid and the actual costs to the City

MUNICIPAL TAX RATE COMPARISON
within Dallas area
(per \$100 assessed valuation)



The City's property tax rate compares favorably with other area cities.

FINANCIAL MANAGEMENT POLICIES

Purpose

The financial management policies of the City are designed to ensure the financial integrity of the City's government and assist the City in achieving the following:

- * Quality City services that meet the needs and desires of the citizens.
- * A financial base sufficient to maintain or enhance City assets required to support community service demands.
- * Prudent and professional financial management practices to assure residents of Farmers Branch and the financial community that City government is well managed and in sound fiscal condition.
- * Cost effective services to citizens through cooperation with other government entities.
- * A Capital Improvement Program that maintains and enhances the public's assets.

General Goals

The City will follow a five-year review and rotation evaluation of an outside (independent) auditor. The auditors must demonstrate breadth and depth of staff necessary to handle the City's audit in a timely manner. The audited financial statements are required by City Charter to be prepared within 120 days of the close of the fiscal year.

Annual reporting will be done within the guidelines set forth in the Governmental Accounting and Auditing Financial Review and under the standards currently being set by the Governmental Accounting Standards Board (GASB). Interim activity reports will be made available to City Council and management. Financial systems will be maintained to monitor expenditures and revenues on a monthly basis with a thorough analysis at the end of each quarter. Budgets for all funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Annual appropriated budgets are adopted for all funds. Appropriations may remain open for 180 days subsequent to year-end unless related to a multi-year capital project.

The City will strive to maintain accounting policies and practices in the preparation of its annual financial report. The report will be presented to the Government Finance Officers Association (GFOA) for review of qualifications that meet those necessary to obtain the Certificate of Achievement for Excellence in Financial Reporting. The City will also submit its annual budget to GFOA for review of qualifications that meet those necessary to obtain the Distinguished Budget Presentation Award.

Revenue Objectives

The City will strive to operate a revenue system that is simple and reliable so that assurances can be provided that the revenue base will materialize according to budget planning. Consistent monitoring and collection policies will be maintained to insure the integrity of the revenue system. The City will periodically review its fee structure to insure that revenue collections are adequate to meet corresponding expenditures (cost-of-service concept).

The Enterprise Funds and Internal Service Funds engage in transactions with other funds of the City. All services rendered by these two funds for other funds of the City should be billed at predetermined rates and all services received by these funds from other funds should be paid on the same basis that other users are charged.

The Enterprise Fund will pay a franchise fee based on the same rationale as used with the electric, gas and telephone companies. A franchise fee is paid to compensate the City for street and alley usage. Payment-in-lieu-of-taxes (P-I-L-O-T) will be charged to offset the ad valorem taxes lost due to the non-profit status of the fund. This P-I-L-O-T is computed by applying the effective property tax rate to the book value of the fund's assets since there is no market value. Administrative costs will be charged for services of general overhead, such as administration, finance, customer billing, personnel, data processing, legal counsel, and other costs as appropriate. The charges will be determined through an indirect cost allocation following accepted practices and procedures.

Expenditure Issues

Expenditures will be made in accordance with the City Charter, budget ordinance and City & State purchasing guidelines.

Budget Concepts & Multi-Year Planning

The budget process is part of a multi-year plan including the multi-year financial objectives. The following objectives and their status within this budget have been categorized between General Governmental and Water & Sewer Funds.

General Governmental

- *Objective One* is to formulate future budgets so that no use of fund balance will be required in the final operating results.
- *Objective Two* is to provide sufficient funds to maintain the City's streets in terms of pavement structure, rideability and appearance in accordance with the following schedule:

Reconstruction	1 Lane-Mile
Resurfacing	11 Lane-Miles
Repair	3,250 Square Yards
Seal	25 Lane-Miles

The schedule for reconstruction and resurfacing is intended to be a yearly average over four years (in any given year the number of lane-miles of reconstruction and resurfacing will vary).

- *Objective Three* is to provide, from operating revenues, funding for new major capital improvement projects consistent with the future capital projects plan.
- *Objective Four* is to follow a pay-as-you-go capital financing strategy.

Water & Sewer

- *Objective One* is to maintain a self-sufficient Water & Sewer Fund so as to avoid General Fund subsidies.
- *Objective Two* is to provide, from Water & Sewer operating revenues, funding for new capital projects consistent with a long-range capital projects plan.
- *Objective Three* is to provide for reinvestment in the existing water and sewer system with current operating revenues. The target level of funding is equal to the annual depreciation in the Water & Sewer Fund.
- *Objective Four* is to provide for Water & Sewer rate increases when necessary to cover cost increases to the City.

Fund Balance/Operating Position Concepts

The City will maintain an undesignated, unreserved fund balance to be used for unanticipated emergencies of approximately 20% of the operating budget of the General Fund. A net current assets balance of \$2.0 million is targeted for the Water & Sewer Fund. Net current assets is an amount derived by subtracting current liabilities from current assets. This amount is the best approximation in an enterprise type fund of spendable resources, which are available for appropriation. These monies will be used to avoid cash flow interruptions, generate interest income, reduce the need for short-term borrowing, and assist in maintaining an investment-grade rating. Each fund may borrow internally from other funds to provide for cash flow requirements. These loans will be on a short-term basis. Funds of the City will not be operated on a deficit basis.

A balanced budget is an operating budget adopted whereby revenues equal or exceed expenditures and no use of fund balance is required in the final operating results.

Capital Infrastructure and Fixed Asset Financing Strategy

The City will strive to direct revenue growth towards reinvestment in capital infrastructure and fixed assets. This use of operating revenues offers flexibility to the City in using a pay-as-you-go cash financing strategy. The advantages of this flexibility include allowing capital projects to be added if additions to fund balance increase or deferred if economic conditions change. The cash financing strategy also allows projects to be changed and/or substituted from year-to-year.

Fixed asset funding is provided through appropriate transfers from operating departments to an internal Fixed Asset Fund. The goal is to provide an internal financing mechanism to finance the replacement of equipment at the operationally optimum time. The timing of fixed asset purchases may coincide with the fiscal year in which transfers are made from the operating departments. However, expensive or infrequent purchases may be paid for over several fiscal years thereby avoiding a peak in the department's budget for fixed assets. The "installment" payments become a designated part of the Fixed Asset Fund balance until the purchase actually occurs. For financial reporting purposes, the Fixed Asset Fund is consolidated with the actual operating fund into one summarized fund.

Debt/Capital Planning Criteria

When applicable, the City shall review its outstanding debt annually for the purpose of determining if the financial marketplace will afford the City the opportunity to refund an issue and lessen its debt service costs. In order to consider the possible refunding of an issue, a Present Value savings of three percent over the life of the respective issue, at a minimum, must be attainable.

Whenever possible, the City will use special assessment, revenue, or other self-supporting bonds instead of general obligation bonds, so those benefiting from the improvements will bear all or part of the cost of the project financed. Optional redemption features will be considered for all bond issues depending upon market conditions and/or the needs of the City. Complex derivative-based strategies such as Swaps are not authorized. The City will annually review all debt issues for arbitrage rebate filing and compliance requirements.

The City will maintain good communications with bond rating agencies regarding its financial condition. The City will follow a policy of full disclosure on every financial report and borrowing prospectus. The City will strive to limit general obligation annual debt service requirements to 20% of general governmental expenditures. Revenue bond coverage (Water & Sewer) shall be maintained at a minimum of 1.5% or as stipulated by bond covenants.

Long-term debt shall not be used for operating purposes. The life of bonds shall not exceed the useful life of the projects.

The City will strive to maintain a bond rating of at least an "AA" for General Obligation debt and a rating of "A1" for any future Water & Sewer Revenue debt.

The City Charter of the City of Farmers Branch, Texas, does not provide a debt limit. Under the provision of State law (Article XI, Section 5, of the State of Texas Constitution), the maximum tax rate is limited to \$2.50 per \$100 assessed valuation. The maximum annual debt service amount that could be supported by this maximum tax rate in 2008-09 is approximately \$100.5 million. The City's tax rate is currently \$0.4945 per \$100 of assessed valuation. This current tax rate supports general governmental operations and approximately \$2.2 million in annual debt service.

Dividend Plan

On February 3, 1997, the City Council approved a plan to annually review and analyze the fiscal condition of the City's General Fund and establish a framework for declaring a dividend. The dividend plan has been used effectively in good economic times and has helped the City maintain financial stability and strength.

The criteria for declaring a dividend include meeting the following:

1. An audit for the prior fiscal year has been completed that details unreserved and undesignated General Fund fund balances.
2. The City's fund balance reserve requirement has been met.
3. All multi-year financial objectives are met.
4. The pay-as-you-go capital plan is appropriately funded.
5. Liabilities have been reviewed for appropriate funding.
6. Needs or opportunities that arise after the adoption of the current budget are considered.
7. The prior year addition to the General Fund fund balance remaining after the above criteria have been met would be available for dividend distribution consideration.
8. Dividends will be paid to taxpayers on an equitable basis.

The adopted budget may be amended during the year if the criteria noted above is evaluated and met in order to provide for a dividend.

Cash and Investment Management Concepts

The City shall manage and invest its cash in accordance with City Investment Policy guidelines and State law. The City shall maintain a comprehensive cash management program that includes collection of accounts receivable, vendor payment in accordance with invoice terms and prudent investment of available cash.

Interest earned from investment of available funds, whether pooled or not, shall be distributed to the funds from which monies were provided to be invested.

Compensation Practice Philosophy

The basic philosophy of Farmers Branch is to provide an equitable compensation program for all employees. The basic concept of the pay system is that job responsibility and job performance will be the key determinants of an employee's salary.

The purpose of the City's performance based pay system is to attract, retain and motivate employees through the payment of financial compensation that is commensurate with the individuals' ability, responsibility and contribution toward the City's goals. The program is concerned with providing a compensation framework to inspire the development and progress of each employee. It is further designed to recognize and reward outstanding performance and achieve internally equitable and externally competitive compensation.

Risk Management

The City will aggressively pursue every opportunity to provide for the public's and City employee's safety and to manage its risks. The goal shall be to minimize the risk of loss or resources through liability claims with an emphasis on safety programs. All reasonable options will be investigated to finance risks. Such options may include risk transfer, insurance and risk retention. Where risk is retained, reserves will be established based upon actuarial determinations and not be used for purposes other than for financing losses.

Bond Rating Information

The City maintains favorable ratings from bond rating agencies. The ratings are as follows:

	Moody Investors <u>Service</u>	Standard & <u>Poor's</u>
General Obligation Bonds	Aa3	AA
Combination Tax & Hotel/Motel Tax Revenue Bonds	Aa3	AA
Combination Assessment and Utility System Revenue Bonds	A2	AA-
Combination Tax & Revenue Certificates of Obligation (Insured)	Aaa	AAA

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

Farmers Branch's accounting and financial reporting system follows the principles established by the Governmental Accounting Standards Board (GASB). An annual audit of the City's system is performed by an independent public accounting firm with the subsequent issuance of a comprehensive annual financial report.

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenses/expenditures.

Measurement focus refers to what is being measured and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property, franchise, sales and hotel occupancy taxes, and investment income (including unrealized gains and losses) are all considered to be susceptible to accrual and so are recognized as revenues of the current fiscal period. The portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City's Proprietary Fund Types are accounted for on a cost-of-service or "capital maintenance" measurement focus, using the accrual basis of accounting, under which revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

The budgetary basis of accounting follows the Generally Accepted Accounting Practices (GAAP) basis of accounting with the following exceptions: Annual operating budgets are prepared on a budgetary basis of accounting for all governmental funds, whereby year-end encumbrances are recognized as expenditures in the current year budget. Capital projects funds are budgeted over the life of the respective project and not on an annual basis. Proprietary funds are budgeted using an accrual basis, except for capital expenses, depreciation and debt service payments, which are budgeted on a cash basis. Unexpended appropriations for budgeted funds lapse at fiscal year-end. Encumbrance accounting is used for all funds.

FUND LISTING

The basic building block of governmental finance and budgeting is the “fund.” Each fund is independent of all others and is created to account for the receipt and use of specific revenues. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances/retained earnings, revenues, and expenditures/expenses. The City exercises budgetary control over governmental and proprietary fund types. A description of each fund and fund type follows:

Governmental Fund Types:

General Fund - The General Fund is used to account for the current day-to-day operations of the City, which are financed from property taxes and other general revenues. Activities financed by the General Fund include those of all line and staff departments within the City, except for such activities financed for in the Proprietary and Special Revenue Funds.

Fixed Asset Fund (General) - Appropriate transfers are made to this fund from operating General Fund department budgets to finance fixed asset replacement. For comprehensive annual financial reporting purposes, the Fixed Asset Fund is consolidated into one summarized General Fund.

Special Revenue Funds - The Special Revenue Funds are used by the City to account for revenues derived from specific taxes, sale of assets and contributions that are reserved or designated to finance particular functions or activities of the City. The following is a description of the City’s Special Revenue Funds.

Hotel/Motel Fund – Used to account for receipt and allocation of the City’s hotel/motel occupancy tax. Use of this tax is limited by law to the promotion of tourism and other restricted uses. The hotel occupancy tax rate for the City’s hotels is 7%.

Fixed Asset Fund (Hotel/Motel) - Appropriate transfers are made to this fund from operating Hotel/Motel Fund department budgets to finance fixed asset replacement. For comprehensive annual financial reporting purposes, the Fixed Asset Fund is consolidated into one summarized Hotel/Motel Fund.

Police Forfeiture Fund – Used to account for proceeds from the sale of assets seized in connection with drug arrests. Revenues are reserved for law enforcement expenditures.

Donations – Used to account for voluntary contributions for community improvement.

Youth Scholarship – Used to account for voluntary contributions for youth scholarships that allow resident youths to access non-City sponsored programs.

Grants – Used to account for grant related programs.

Building Security Fund – Used to account for certain proceeds from ticket fees, which must be used for building security purposes.

Court Technology Fund – Used to account for certain proceeds from ticket fees, which must be used for technological enhancements.

Landfill Closure/Post-Closure – Used to account for resources needed for future landfill final closure and postclosure costs.

Stars Center – Used to account for Dallas Stars rent payments and transfers to debt service.

Cemetery – Used to account for grounds maintenance of Keenan Cemetery.

Legal Defense – Used to account for donations for legal defense.

Photographic Light System – Used to account for red light enforcement revenues and expenditures.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds - The Capital Projects Funds account for all resources used for the acquisition and/or construction of major capital facilities by the City. The following is a description of the City's Capital Projects Funds:

Non-Bond CIP Fund – Used to account for the financing and construction of major capital facilities by the City, except for those financed by general obligation bonds or by the Water & Sewer Fund. Funded primarily by operating transfers from the General Fund.

Hotel/Motel CIP Fund – Used to account for the construction and financing of historical park improvements. Funded by Hotel/Motel tax revenues.

DART LAP Fund – Used to account for the construction and financing of transit related improvements. Funded by the Dallas Area Rapid Transit Local Assistance Program (LAP).

Tax Increment Finance District #1 – Used to account for infrastructure construction in the Mercer Crossing tax increment financing (TIF) district. Funded by developers' contributions and advances and incremental property tax payments.

Tax Increment Finance District #2 – Used to account for infrastructure construction in the Old Farmers Branch tax increment financing (TIF) district. Funded by developers' contributions and advances and incremental property tax payments.

Street Improvement/Animal Shelter Bond Fund – Used to account for the construction of a new animal shelter and the reconstruction of several streets. Funded by certificates of obligation bond proceeds.

Proprietary Fund Types:

Enterprise Funds - The Enterprise Funds are used to account for water and sewer utility operations that are financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs of providing utility services to the general public on a continuing basis be financed or recovered primarily through user charges (utility bills). For comprehensive annual financial reporting purposes, all of the following Enterprise Funds are consolidated into one summarized Enterprise Fund.

Water & Sewer Fund – Used to account for the current day-to-day utility operations of the City, which are financed from utility user charges.

Non-Bond Utility Fund – Used to account for the financing and construction of major water and sewer distribution and storage facilities by the City. Funded primarily by transfers from the Water & Sewer Fund.

Fixed Asset Fund (Enterprise) - Appropriate transfers are made to this fund from operating Enterprise Fund department budgets to finance fixed asset replacement.

Internal Service Funds - The Internal Service Funds account for the financing services provided by one department to other departments of the City on a cost reimbursement basis. The following is a description of the City's Internal Service Funds:

Equipment Services Fund – Used to account for materials and supplies provided exclusively to other funds and departments of the City.

Workers' Compensation Fund – Used to account for the City's workers' compensation self-insurance program.

Fixed Asset Fund (Internal Service) - Appropriate transfers are made to this fund from operating Internal Service Fund department budgets to finance fixed asset replacement.

OPERATIONAL STRUCTURE

Each operational fund is comprised of departments, which are major organizational units of the City. Each department has overall management responsibility for one or more divisions. Descriptions stating responsibilities and goals and objectives are presented for all departments. Expenditure summaries list the subtotal expenditures/expenses for categories such as personal services/benefits, supplies, repairs and maintenance, and capital outlay. Position summaries indicate the title and number of positions in each division. "Budget Highlights" are also provided which detail new program initiatives or capital outlay expenditures. The operational units by fund are listed on the following page.

Expenditure Summaries

General Fund expenditures can be summarized in several ways, each providing information with a different focus. Several summaries are presented in the General Fund section of the budget:

Summary by Department shows who in the City organizational chart is most directly responsible for control and management of the various activities.

Summary by Function shows the purpose of each City activity in categories specified by State reporting requirements. Grouping activities in the functional areas of general government, public works, public safety, culture and parks, and special expenditures allows for comparisons with other local governments in the State.

Summary by Type of Expenditure shows how the City plans to accomplish its goals and objectives in the categories of personal services/benefits, purchased professional and technical services, supplies, repairs and maintenance, services, production and disposal, contracts, Christmas activities, other objects, special incentive, and transfers to other funds.

FUND	DEPARTMENT	DIVISION
General	General Government	General Government General Contracts Legal Non-Departmental
	General Administration	General Administration
	Communications & Marketing	Communications & Marketing
	Economic Development & Tourism	Economic Development
	Human Resources	Human Resources
	Finance	Finance Administration Information Services Accounting Purchasing Municipal Court
	Community Services	Community Services Administration Building Inspection Environmental Health
	Engineering	Engineering Administration Traffic Engineering
	Public Works	Public Works Administration Solid Waste Collection Street Maintenance
	Police	Police Administration Police Investigations Police Patrol Police Communications
	Fire	Fire Administration Fire Prevention Fire Operations
	Parks and Recreation	Parks and Recreation Administration Building Maintenance Park Maintenance Recreation Swimming Pool Senior Center Park Board Senior Advisory Board Christmas
	Library	Library
Water & Sewer	Public Works	Water & Sewer Administration Water & Sewer Operations
Internal Service	Equipment Services	Fleet Maintenance
Hotel/Motel	Parks & Recreation	Historical Preservation/Special Events
	Economic Development & Tourism	Convention Center Promotion of Tourism

ADOPTED BUDGET 2008-09
CONSOLIDATED SUMMARY OF REVENUES AND EXPENDITURES
for Operating Funds & Capital Project Funds

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09
ESTIMATED BEGINNING BALANCES	\$48,995,566	\$49,017,245	\$44,909,270	\$50,508,795
REVENUES				
Ad valorem taxes	17,487,590	18,444,100	19,205,000	19,989,900
Non-property taxes	14,915,377	15,160,200	14,560,200	14,960,200
Franchise fees	4,589,405	4,763,000	4,623,000	4,973,000
Licenses & permits	847,741	757,000	757,000	817,000
Charges for service	16,960,235	17,949,100	17,596,100	19,211,900
Fines and forfeits	2,616,722	2,623,000	2,423,000	2,627,000
Interest and other	10,911,101	17,237,169	28,052,270	11,684,608
TOTAL REVENUES	68,328,171	76,933,569	87,216,570	74,263,608
TRANSFERS FROM OTHER FUNDS	8,994,759	3,113,400	2,625,900	2,591,200
TOTAL REVENUES AND TRANSFERS	77,322,930	80,046,969	89,842,470	76,854,808
TOTAL AVAILABLE RESOURCES	126,318,496	129,064,214	134,751,740	127,363,603
EXPENDITURES				
General government	9,675,118	11,292,643	10,885,400	9,853,025
Public safety	17,409,056	19,630,100	19,447,020	20,494,420
Public works	7,539,645	7,813,700	7,804,200	8,294,300
Culture and recreation	9,615,268	10,287,700	10,267,636	10,705,233
Utilities	9,401,213	10,270,800	9,820,500	10,468,400
Capital projects	10,762,663	25,491,848	18,277,184	25,617,115
Debt service	5,235,379	2,190,000	3,265,900	3,253,600
Tourism/historical preservation	1,367,112	1,672,000	1,706,600	1,966,300
TOTAL EXPENDITURES	71,005,454	88,648,791	81,474,440	90,652,393
TRANSFERS TO OTHER FUNDS	8,994,759	1,887,800	2,475,900	2,391,200
TOTAL EXPENDITURES AND TRANSFERS *	80,000,213	90,536,591	83,950,340	93,043,593
CHANGE IN FUND BALANCE	(2,677,283)	(10,489,622)	5,892,130	(16,188,785)
ESTIMATED ENDING FUND BALANCES **	\$46,318,283	\$38,527,623	\$50,801,400	\$34,320,010

Internal Service and Fixed Asset Funds are not included in this summary as they are funded by the operating funds.

* Excludes special expenditure liability reduction of: \$296,713 for Actual 2006-07; \$725,600 for Adopted Budget 2007-08; \$470,500 for Year-End Amended 2007-08; and, \$255,100 for Adopted Budget 2008-09.

** Undesignated and Unreserved

ADOPTED BUDGET 2008-09
COMBINED SUMMARY OF REVENUES AND EXPENDITURES
for Operating Funds & Capital Project Funds

	OPERATING FUNDS						TOTAL OPERATING & CAPITAL PROJECT FUNDS
	GENERAL FUND	WATER & SEWER FUND	HOTEL/ MOTEL FUND	DEBT SERVICE	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS	
EST. BEGINNING BALANCES	\$ 7,451,183	\$ 1,791,340	\$ 1,684,270	\$ 269,766	\$9,715,282	\$ 29,596,954	\$ 50,508,795
REVENUES							
Ad valorem taxes	17,775,000			2,214,900			19,989,900
Non-property taxes	12,660,200		2,300,000				14,960,200
Franchise fees	4,973,000						4,973,000
Licenses & permits	817,000						817,000
Charges for service	4,616,200	14,595,700					19,211,900
Fines and forfeits	2,627,000						2,627,000
Interest and other	1,222,500	250,800	174,300		1,571,342	8,465,666	11,684,608
TOTAL REVENUES	44,690,900	14,846,500	2,474,300	2,214,900	1,571,342	8,465,666	74,263,608
TRANSFERS FROM OTHER FUNDS				1,078,700		1,512,500	2,591,200
TOTAL REVENUES AND TRANSFERS	44,690,900	14,846,500	2,474,300	3,293,600	1,571,342	9,978,166	76,854,808
TOTAL AVAILABLE RESOURCES	52,142,083	16,637,840	4,158,570	3,563,366	11,286,624	39,575,120	127,363,603
EXPENDITURES							
General government	9,781,100				71,925		9,853,025
Public safety	19,816,100				678,320		20,494,420
Public works	7,164,300				1,130,000		8,294,300
Culture and recreation	10,604,900				100,333		10,705,233
Utilities		10,468,400					10,468,400
Capital projects						25,617,115	25,617,115
Debt service				3,253,600			3,253,600
Tourism/historical preservation			1,966,300				1,966,300
TOTAL EXPENDITURES	47,366,400	10,468,400	1,966,300	3,253,600	1,980,578	25,617,115	90,652,393
TRANSFERS TO OTHER FUNDS	(3,176,500) *	4,050,300	864,000		603,400	50,000	2,391,200 *
TOTAL EXPENDITURES AND TRANSFERS	44,189,900 *	14,518,700	2,830,300	3,253,600	2,583,978	25,667,115	93,043,593 *
CHANGE IN FUND BALANCE	501,000	327,800	(356,000)	40,000	(1,012,636)	(15,688,949)	(16,188,785)
EST. ENDING FUND BALANCES **	\$ 7,952,183	\$ 2,119,140	\$ 1,328,270	\$ 309,766	\$ 8,702,646	\$ 13,908,005	\$ 34,320,010

Internal Service and Fixed Asset Funds are not included in this summary as they are funded by the operating funds.

The large drop in Capital Projects Fund Balance is due to the planned completion of street, utility and facility projects within the fiscal year.

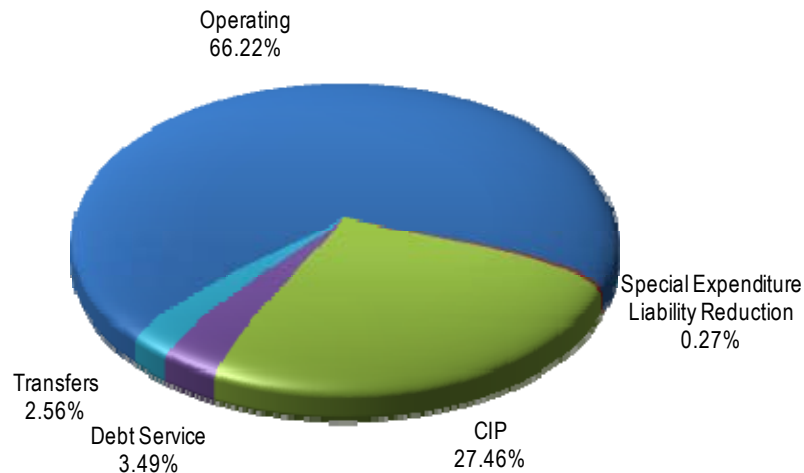
* Excludes transfer in designated fund balance of \$255,100 for special expenditure liability reduction.

** Undesignated and Unreserved

COMBINED FUNDS BUDGET OVERVIEW

The total adopted budget for all funds for fiscal year 2008-09 is \$93,298,693 (including a special expenditure liability reduction of \$255,100), which represents a 10.52% increase from the previous year's amended budget and a 2.23% increase from the previous year's adopted budget (prior budget comparisons include a special expenditure liability reduction of \$470,500 for the previous year's amended budget and \$725,600 for the previous year's adopted budget). Operating expenditures for the General Fund, Water & Sewer Fund, Hotel/Motel Fund, and Special Revenue Funds account for \$61,781,678 or 66.22% of the total budget. Capital Improvement Program expenditures total \$25,617,115 and represent 27.46% of the total budget. Expenditures for Debt Service total \$3,253,600 and represent 3.49% of the total budget. Expenditures for Transfers to Other Funds total \$2,391,200 and represent 2.56% of the total budget. Expenditures for a Special Expenditure Liability Reduction total \$255,100 and represent 0.27% of the total budget.

TOTAL ADOPTED BUDGET

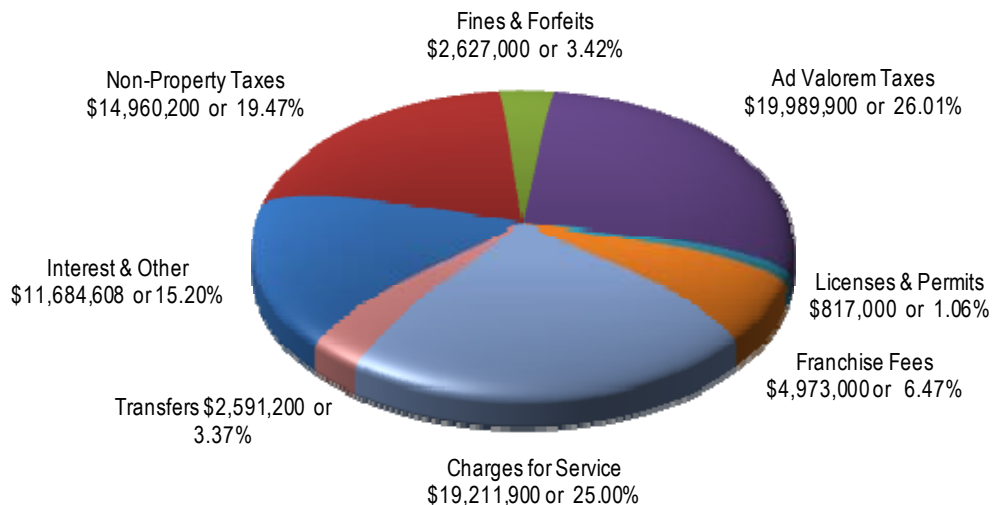


The following graphs illustrate the revenue and expenditure distributions from all funds combined for the total adopted budget.

REVENUE DISTRIBUTION

All Funds

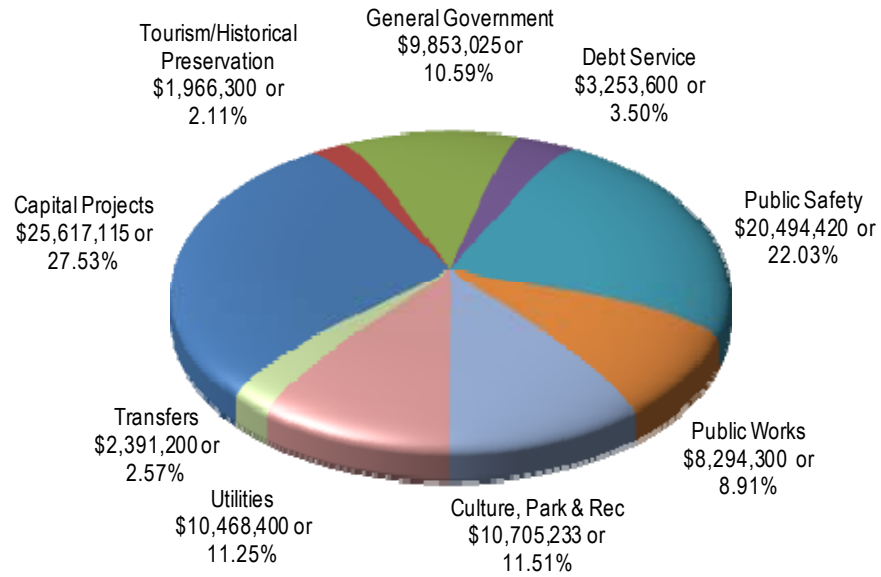
\$76,854,808



EXPENDITURE DISTRIBUTION

All Funds

\$93,043,593



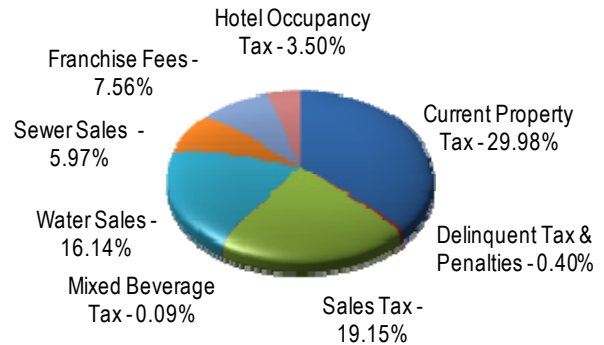
Note: Expenditures do not include a special expenditure liability reduction of \$255,100.

MAJOR REVENUE SOURCES

The revenue sources described in this section account for approximately \$54.5 million or 82.79% of the City's operating revenues (excludes bond proceeds, capital projects and interfund transfers/charges).

Property (Ad Valorem) Taxes

Values: The City of Farmers Branch contracts with the Dallas Central Appraisal District (DCAD) to appraise property values within the City. DCAD is required by state law to repeat the appraisal process for property at least once every three years. DCAD's policy is to appraise approximately one-third business personal property, commercial real property and residential real property each year. Residential and commercial real property includes land and buildings. Business personal property is defined by the tax code as any business property that is not real property. This type of property could include furniture, computer systems, vehicles, etc. Properties are appraised as of January 1 each year. This appraised value is used as the basis for tax billing the following October 1.



To save time and money, the appraisal district uses mass appraisal to appraise large numbers of properties. In a mass appraisal, the appraisal district first collects detailed descriptions of each taxable property in the district. It then classifies properties according to a variety of factors, such as size, use, and construction type. Using data from recent property sales, the district appraises the value of typical properties in each class. Taking into account differences such as age or location, the district uses the typical property values to appraise all properties in the class.

DCAD contracts with the University of Texas at Dallas to conduct a residential appraisal study. This study compares market value (sales) data to appraised value by neighborhood using a statistical model to determine value in neighborhoods that did not have a recent sale. The resulting property values are then adjusted based on a conditions index that is determined by DCAD during neighborhood inspection. Improvements to a home such as a new roof or a kitchen remodel may affect the overall conditions index. New construction such as a pool or a home addition would immediately affect the appraised value of a home whether or not the home is in an area targeted for appraisal.

Tax Rate & Revenues: The City's tax rate consists of two components: Maintenance & Operations and Interest & Sinking. The Maintenance & Operations part of the tax rate funds general fund operations and is shown in the General Fund budget as property tax revenue. The Interest & Sinking part of the tax rate funds debt service on General Obligation or Certificates of Obligation Bonds. These bonds are backed by the City's property tax base. The

property tax revenue from the debt service part of the tax rate is shown in the debt service budget as property tax revenue. The combined total of property tax revenues in the General and Debt Service Funds is called the City's tax levy.

Ad Valorem Composition



The City's 2008-2009 tax rate of \$0.4945 per \$100 property value allocates 89.5% (\$0.442341) of property tax revenues to the General Fund and 10.5% (\$0.052159) to the Debt Service Fund for general obligation long-term debt. Any reduction to the tax rate must be from the General Fund, as the debt service rate cannot be reduced below a level necessary to fund the

City's annual debt service. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

Property (ad valorem) taxes attach as an enforceable lien on property as of each January 1. The City's property tax is billed each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established by the Dallas Central Appraisal District at 100% of the estimated market value and certified by the Appraisal Review Board. The assessed taxable value for the roll of January 1, 2008, upon which the fiscal 2009 levy is based, is \$4,019,807,491. This amount is net of \$1,073,306,019 (representing 26.7% of taxable value) of agricultural, homestead, over-65, disabled veteran, and tax abatement exemptions. The 2008 tax roll (2008-2009 fiscal year) is 5.25% more than the 2007 certified roll. Economic growth and new construction activity have flattened due to the recent economic downturn

Taxes are due January 31 following the October 1 billing date and are considered delinquent after January 31 of each year. Based upon historical collection trends, current tax collections for the year ending September 30, 2009 are estimated to be approximately 99% of levy when including the minimum value for protested accounts and will generate \$19,724,900 in total revenues. Delinquent taxes and penalties are expected to produce an additional \$265,000.

The City offers a 20% homestead exemption (but not less than \$5,000) and \$60,000 exemption for disabled and senior citizen homesteads.

Sales Tax

The sales tax in Farmers Branch is 8.25% of goods or services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, and in some cases, quarterly basis. Of the 8.25% tax, the State retains 6.25% and distributes 1.0% to the City of Farmers Branch and 1.0% to the Dallas Area Rapid Transit (DART) mass transportation authority. The State Comptroller's office distributes tax proceeds to local entities within 40 days following the period for which the tax is collected by the businesses.

For the year ending September 30, 2009, the City expects to receive \$12,600,000 in sales and use tax revenue. This amount represents a 3.28% increase over the previous year's amended budget. Sales tax revenue is expected to grow with the area CPI rate over the next two years.

Another sales tax levied by the State is the mixed drink tax, which is applied against all mixed drinks and package liquor sold in the City. The tax is 14% of the sales price and, like the general sales tax, is collected by the State. The City's share of the dollar revenues generated by the tax is 10.7143%, which is expected to produce \$60,000 for the 2009 fiscal year. This amount represents no change when compared to the previous year's amended budget.

Utility Fees

The City of Farmers Branch charges fees for the provision of water and sewer services to residents and businesses located within the City. The City utilizes a comprehensive utility rate structure that is based upon charging minimum bills for customers, dependent upon meter size, with escalating tiered volume charges depending upon the demand each customer places upon the utility system. This structure allows the fund to equitably recover a greater portion of its fixed expenses through a relatively constant revenue stream.

Under these rates, each customer pays a minimum monthly bill depending upon their meter size. For example, a customer with a 3/4 inch standard size meter will pay \$11.69, which includes 2,000 gallons. At the other end of the scale, a customer with an 8 inch meter pays a minimum bill of \$339.13, which also includes 2,000 gallons. Water in excess of 2,000 gallons is billed at \$3.17 per 1,000 gallons up to 10,000 gallons; \$3.57 per 1,000 gallons from 10,001-20,000 gallons; and \$3.71 per 1,000 gallons over 20,001 gallons consumption. Sewer charges are dependent upon the volume of water consumed and are structured similar to the water rates. The exception to this rule is residential customers who cease paying sewer fees once water consumption exceeds 10,000 gallons. The combined monthly water and sewer bill for an average residential customer (10,000 gallons consumption) is \$62.53.

For the 2008-2009 budget year, the City's Water & Sewer Fund anticipates receiving \$10,622,500 from water sales and \$3,928,200 from sewer service fees. These revenues represent an increase of approximately 12% from the previous year's amended budget with the expectation that consumption levels will remain stable. The 2008-09 budget assumes annual sales of 2.8 billion gallons. Utility rates are anticipated to increase at the same rate as cost increases for water and wastewater treatment during the next few years.

Franchise Fees

The City of Farmers Branch maintains franchise agreements with utilities that use the City's roadway right-of-ways to conduct their business. Besides defining the responsibilities of the utilities in maintaining their assets, the agreements contain a franchise fee clause that requires the utilities to compensate the City for the use of the right-of-ways. Generally, the fees are based upon a percentage of a utility's gross receipts (generated by customers located within the City's corporate limits), which range from 4% to 5%. The franchise agreement with Southwestern Bell Telephone established a different method for calculating the franchise fee. Under the agreement, the City receives a base annual fee in quarterly payments with a growth factor for subsequent years.

Revenues from the natural gas, electric power, telephone, cable television, and commercial garbage franchises are anticipated to total \$4,973,000 in the 2008-2009 fiscal year, which represents a 7.57% increase from the previous year's amended budget. Total franchise fees are expected to increase slightly for the next two to three years due to increased costs for gas and electricity as well as an increase in the electricity franchise fee from 4% to 5%.

Hotel/Motel Occupancy Tax

The occupancy tax is levied by both the City and the State on a hotel or motels gross occupancy receipts. The City's portion is collected on a monthly basis. The City's tax is 7% and is levied with the State's 6% rate. Revenue generated by the tax is restricted by State law to directly enhance and promote the tourist, convention and hotel industry. For the year ending September 30, 2008, the City expects to receive \$2,300,000 in occupancy tax receipts. This represents no change from the previous year's amended budget. The City has twelve hotels. Hotel occupancy receipts are expected to remain stable over the next few years.

BUDGET FACT SHEET COMMONLY ASKED QUESTIONS

ADOPTED BUDGET 2008-09

		Adopted Fiscal Year Budget 2008-09		Adopted Fiscal Year Budget 2007-08
<u>Budgeted Expenditures</u>				
Total Budget	*	\$ 93,298,693		\$ 91,262,191
Operating Budget (includes transfers)	*	\$ 67,631,578		\$ 65,770,343
Capital Budget		\$ 25,667,115		\$ 25,491,848
<u>Property Taxes</u>				
Total Residential Taxable Value		\$ 893,518,861		\$ 856,718,458
Total Commercial Real Taxable Value		\$ 2,105,274,833		\$ 2,003,583,782
Total Business Personal Property Taxable Value		\$ 1,021,013,797		\$ 959,095,737
Total Taxable Value	**	\$ 4,019,807,491		\$ 3,819,397,977
Total Exemptions Value	**	\$ 1,073,306,019		\$ 1,065,362,943
Total Abatement Value	**	\$ 150,749,808 ⁽¹⁾		\$ 371,566,057
Tax Rate (per \$100 assessed value)		\$ 0.4945		\$ 0.4945
Average Home Value		\$ 150,128		\$ 148,124
Property Tax Homestead Exemption		\$ 5,000	or 20% whichever is greater	\$ 5,000
Property Tax Over-65 / Disabled Exemption		\$ 60,000	or 20% whichever is greater	\$ 60,000

Authorized Positions

	Adopted Fiscal Year Budget 2008-09		Amended Budget 2007-08	
	Budget	Full-Time Equivalents (FTE) ⁽¹⁾	Budget	Full-Time Equivalents (FTE) ⁽²⁾
Full-Time	414.00	414.00	434.00	434.00
Part-Time	131.00		142.00	
Full-Time Equivalent		47.65		53.46
	545.00	461.65	576.00	487.46

* Includes special expenditure liability reduction of \$255,100 for 2008-09 and \$725,600 for 2007-08.

** Excludes Values in Protest

⁽¹⁾ Figure represents total abatement value at time of certification. An additional \$219,767,264 in abatements were approved after the tax roll was certified, bringing the total tax abatement value to \$370,517,072.

⁽²⁾ Full-time equivalents is calculated by totaling part-time budgeted hours and dividing the total by the average annual hours worked by full-time employees (2,080).

GENERAL FUND REVENUE SUMMARY

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	PERCENT OF BUDGET
<u>TAXES</u>					
PROPERTY - CURRENT	\$14,029,288	\$17,100,000	\$16,750,000	\$17,550,000	39.27%
PROPERTY - PRIOR YEAR	109,595	75,000	75,000	75,000	0.17%
SALES & USE TAXES	12,367,492	12,800,000	12,200,000	12,600,000	28.19%
MIXED BEVERAGE	60,093	60,000	60,000	60,000	0.13%
BINGO	0	200	200	200	0.00%
FRANCHISE FEES	4,589,405	4,763,000	4,623,000	4,973,000	11.13%
PENALTIES & INTEREST	152,916	115,000	150,000	150,000	0.34%
SUB-TOTAL	<u>\$31,308,789</u>	<u>\$34,913,200</u>	<u>\$33,858,200</u>	<u>\$35,408,200</u>	<u>79.23%</u>
<u>LICENSES & PERMITS</u>					
HEALTH	\$25,420	\$25,000	\$25,000	\$25,000	0.06%
BUILDING	568,008	513,000	513,000	563,000	1.26%
PLUMBING	85,027	62,000	62,000	70,000	0.16%
ELECTRICAL	86,900	82,000	82,000	82,000	0.18%
HVAC	51,536	43,000	43,000	45,000	0.10%
MULTI-FAMILY INSPECTION	30,850	32,000	32,000	32,000	0.07%
SUB-TOTAL	<u>\$847,741</u>	<u>\$757,000</u>	<u>\$757,000</u>	<u>\$817,000</u>	<u>1.83%</u>
<u>CHARGES FOR SERVICES</u>					
ZONING	\$19,811	\$20,500	\$20,500	\$20,500	0.05%
PRINTING & DUPLICATING	18,465	18,500	18,500	18,500	0.04%
POLICE SERVICES	112,027	105,000	117,000	115,000	0.26%
AMBULANCE & 911 SERVICES	1,207,166	1,155,000	1,217,000	1,278,000	2.86%
REFUSE SERVICES	2,621,139	2,800,000	2,400,000	2,370,000	5.30%
HEALTH & INSPECTION FEE	29,317	22,000	28,000	22,000	0.05%
ANIMAL CONTROL & SHELTER	12,049	18,200	18,200	18,200	0.04%
SWIMMING POOL FEES	44,707	40,000	45,000	45,000	0.10%
SENIOR CENTER FEES	51,345	53,000	35,000	34,000	0.08%
PARKS & REC CONCESSIONS	167,992	155,000	185,000	175,000	0.39%
BUILDING USE FEES	512,869	565,300	515,300	520,000	1.16%
SUB-TOTAL	<u>\$4,796,887</u>	<u>\$4,952,500</u>	<u>\$4,599,500</u>	<u>\$4,616,200</u>	<u>10.33%</u>
<u>FINES, FORFEITS & ASSESSMENTS</u>					
COURT	\$2,534,346	\$2,541,000	\$2,341,000	\$2,545,000	5.69%
LIBRARY	82,376	82,000	82,000	82,000	0.18%
SUB-TOTAL	<u>\$2,616,722</u>	<u>\$2,623,000</u>	<u>\$2,423,000</u>	<u>\$2,627,000</u>	<u>5.88%</u>
<u>INTEREST/RENTS/CONTRIBUTIONS</u>					
INTEREST	\$703,279	\$800,000	\$600,000	\$700,000	1.57%
RENTS	323,652	326,000	386,000	383,000	0.86%
SUB-TOTAL	<u>\$1,026,931</u>	<u>\$1,126,000</u>	<u>\$986,000</u>	<u>\$1,083,000</u>	<u>2.42%</u>

GENERAL FUND REVENUE SUMMARY

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	PERCENT OF BUDGET
<u>MISCELLANEOUS</u>					
MISCELLANEOUS	\$82,384	\$118,000	\$175,000	\$98,000	0.22%
RECYCLING	20,096	20,000	20,000	20,000	0.04%
SALE OF ASSETS	0	0	240,000	0	0.00%
INSURANCE RECOVERY	22,512	21,500	21,500	21,500	0.05%
SUB-TOTAL	<u>\$124,992</u>	<u>\$159,500</u>	<u>\$456,500</u>	<u>\$139,500</u>	<u>0.31%</u>
GRAND TOTAL	<u><u>\$40,722,062</u></u>	<u><u>\$44,531,200</u></u>	<u><u>\$43,080,200</u></u>	<u><u>\$44,690,900</u></u>	<u><u>100.00%</u></u>

**GENERAL FUND
EXPENDITURE SUMMARY**
Summarized by Department

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	PERCENT OF BUDGET
<u>GENERAL GOVERNMENT</u>					
GENERAL GOVERNMENT	\$92,092	\$111,200	\$130,100	\$133,100	0.30%
GENERAL CONTRACTS	191,000	192,000	192,000	208,500	0.47%
LEGAL	900,870	770,400	1,044,400	770,400	1.73%
NON-DEPARTMENTAL	(2,625,666)	(1,121,400)	(1,683,900)	(2,330,300)	-5.24%
SUB-TOTAL	<u>(\$1,441,704)</u>	<u>(\$47,800)</u>	<u>(\$317,400)</u>	<u>(\$1,218,300)</u>	<u>-2.74%</u>
<u>GENERAL ADMINISTRATION</u>					
GENERAL ADMINISTRATION	<u>\$1,070,369</u>	<u>\$992,100</u>	<u>\$1,067,600</u>	<u>\$936,400</u>	<u>2.11%</u>
SUB-TOTAL	<u>\$1,070,369</u>	<u>\$992,100</u>	<u>\$1,067,600</u>	<u>\$936,400</u>	<u>2.11%</u>
<u>COMMUNICATIONS & MARKETING</u>					
COMMUNICATIONS & MARKETING	<u>\$446,763</u>	<u>\$462,900</u>	<u>\$524,100</u>	<u>\$449,600</u>	<u>1.01%</u>
SUB-TOTAL	<u>\$446,763</u>	<u>\$462,900</u>	<u>\$524,100</u>	<u>\$449,600</u>	<u>1.01%</u>
<u>ECONOMIC DEVELOPMENT</u>					
ECONOMIC DEVELOPMENT	<u>\$343,541</u>	<u>\$417,000</u>	<u>\$404,300</u>	<u>\$312,200</u>	<u>0.70%</u>
SUB-TOTAL	<u>\$343,541</u>	<u>\$417,000</u>	<u>\$404,300</u>	<u>\$312,200</u>	<u>0.70%</u>
<u>HUMAN RESOURCES</u>					
HUMAN RESOURCES	<u>\$735,652</u>	<u>\$801,300</u>	<u>\$826,300</u>	<u>\$809,500</u>	<u>1.82%</u>
SUB-TOTAL	<u>\$735,652</u>	<u>\$801,300</u>	<u>\$826,300</u>	<u>\$809,500</u>	<u>1.82%</u>
<u>FINANCE</u>					
FINANCE ADMINISTRATION	\$597,405	\$599,000	\$626,700	\$636,300	1.43%
INFORMATION SERVICES	1,185,449	1,207,400	1,229,800	1,159,300	2.61%
ACCOUNTING	474,038	491,400	527,300	516,200	1.16%
PURCHASING	141,752	152,400	171,700	111,300	0.25%
MUNICIPAL COURT	473,512	585,000	586,800	524,800	1.18%
SUB-TOTAL	<u>\$2,872,156</u>	<u>\$3,035,200</u>	<u>\$3,142,300</u>	<u>\$2,947,900</u>	<u>6.63%</u>
<u>COMMUNITY SERVICES</u>					
COMMUNITY SERVICES ADMIN.	\$691,528	\$772,000	\$739,600	\$686,400	1.54%
BUILDING INSPECTION	964,991	1,085,700	1,191,100	992,600	2.23%
ENVIRONMENTAL HEALTH	749,181	783,800	784,900	830,900	1.87%
SUB-TOTAL	<u>\$2,405,700</u>	<u>\$2,641,500</u>	<u>\$2,715,600</u>	<u>\$2,509,900</u>	<u>5.65%</u>
<u>ENGINEERING</u>					
ENGINEERING	\$1,344,461	\$1,412,800	\$1,512,900	\$998,500	2.25%
TRAFFIC ENGINEERING	995,065	1,031,800	938,100	1,027,500	2.31%
SUB-TOTAL	<u>\$2,339,526</u>	<u>\$2,444,600</u>	<u>\$2,451,000</u>	<u>\$2,026,000</u>	<u>4.56%</u>

**GENERAL FUND
EXPENDITURE SUMMARY**
Summarized by Department

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	PERCENT OF BUDGET
<u>PUBLIC WORKS</u>					
PUBLIC WORKS ADMIN.	\$394,455	\$428,900	\$443,300	\$433,900	0.98%
SOLID WASTE COLLECTION	2,046,972	2,174,300	2,139,700	2,302,400	5.18%
STREET MAINTENANCE	2,750,632	2,840,900	2,404,300	2,452,000	5.52%
SUB-TOTAL	<u>\$5,192,059</u>	<u>\$5,444,100</u>	<u>\$4,987,300</u>	<u>\$5,188,300</u>	<u>11.67%</u>
<u>POLICE</u>					
POLICE ADMINISTRATION	\$444,253	\$482,000	\$487,500	\$548,500	1.23%
POLICE INVESTIGATIONS	1,345,346	1,504,700	1,521,600	1,599,000	3.60%
POLICE PATROL	6,458,523	6,486,800	6,466,300	6,952,000	15.64%
POLICE COMMUNICATIONS	1,698,833	1,893,100	1,814,800	1,948,400	4.38%
SUB-TOTAL	<u>\$9,946,955</u>	<u>\$10,366,600</u>	<u>\$10,290,200</u>	<u>\$11,047,900</u>	<u>24.86%</u>
<u>FIRE</u>					
FIRE ADMINISTRATION	\$714,282	\$874,500	\$926,100	\$945,800	2.13%
FIRE PREVENTION	456,668	437,500	447,000	468,200	1.05%
FIRE OPERATIONS	5,956,187	7,356,000	7,104,900	7,354,200	16.55%
SUB-TOTAL	<u>\$7,127,137</u>	<u>\$8,668,000</u>	<u>\$8,478,000</u>	<u>\$8,768,200</u>	<u>19.73%</u>
<u>PARKS & RECREATION</u>					
PARKS & RECREATION ADMIN.	\$513,841	\$564,500	\$557,800	\$565,700	1.27%
BUILDING MAINTENANCE	1,042,461	1,057,300	1,064,000	1,159,900	2.61%
PARK MAINTENANCE	3,775,286	4,150,800	4,020,900	4,311,800	9.70%
RECREATION	1,570,195	1,673,000	1,680,200	1,772,500	3.99%
SWIMMING POOL	200,772	208,200	214,900	223,600	0.50%
SENIOR CENTER	571,965	534,600	536,400	560,100	1.26%
PARK BOARD	8,547	10,600	10,600	10,600	0.02%
SENIOR ADVISORY BOARD	4,202	9,400	9,400	8,400	0.02%
CHRISTMAS	110,793	149,600	153,600	157,600	0.35%
SUB-TOTAL	<u>\$7,798,062</u>	<u>\$8,358,000</u>	<u>\$8,247,800</u>	<u>\$8,770,200</u>	<u>19.73%</u>
<u>LIBRARY</u>					
LIBRARY	\$1,822,474	\$1,910,100	\$1,915,400	\$1,897,200	4.27%
SUB-TOTAL	<u>\$1,822,474</u>	<u>\$1,910,100</u>	<u>\$1,915,400</u>	<u>\$1,897,200</u>	<u>4.27%</u>
TOTAL OPERATING	<u>\$40,658,690</u>	<u>\$45,493,600</u>	<u>\$44,732,500</u>	<u>\$44,445,000</u>	<u>100.00%</u>
<u>SPECIAL EXPENDITURES</u>					
TRANSFER TO CIP	\$4,300,000	\$0	\$0	\$0	0.00%
SUB-TOTAL	<u>\$4,300,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.00%</u>
GRAND TOTAL	<u>\$44,958,690</u>	<u>\$45,493,600</u>	<u>\$44,732,500</u>	<u>\$44,445,000</u>	<u>100.00%</u>

**GENERAL FUND
EXPENDITURE SUMMARY**
Summarized by Function

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	PERCENT OF BUDGET
<u>GENERAL GOVERNMENT</u>					
GENERAL GOVERNMENT	\$92,092	\$111,200	\$130,100	\$133,100	0.30%
GENERAL CONTRACTS	191,000	192,000	192,000	208,500	0.47%
LEGAL	900,870	770,400	1,044,400	770,400	1.73%
NON-DEPARTMENTAL	(2,625,666)	(1,121,400)	(1,683,900)	(2,330,300)	-5.24%
GENERAL ADMINISTRATION	1,070,369	992,100	1,067,600	936,400	2.11%
COMMUNICATIONS & MARKETING	446,763	462,900	524,100	449,600	1.01%
ECONOMIC DEVELOPMENT	343,541	417,000	404,300	312,200	0.70%
HUMAN RESOURCES	735,652	801,300	826,300	809,500	1.82%
FINANCE ADMINISTRATION	597,405	599,000	626,700	636,300	1.43%
INFORMATION SERVICES	1,185,449	1,207,400	1,229,800	1,159,300	2.61%
ACCOUNTING	474,038	491,400	527,300	516,200	1.16%
PURCHASING	141,752	152,400	171,700	111,300	0.25%
MUNICIPAL COURT	473,512	585,000	586,800	524,800	1.18%
COMMUNITY SERVICES ADMIN.	691,528	772,000	739,600	686,400	1.54%
BUILDING INSPECTION	964,991	1,085,700	1,191,100	992,600	2.23%
ENVIRONMENTAL HEALTH	749,181	783,800	784,900	830,900	1.87%
TOTAL GENERAL GOV'T	<u>\$6,432,477</u>	<u>\$8,302,200</u>	<u>\$8,362,800</u>	<u>\$6,747,200</u>	<u>15.18%</u>
<u>PUBLIC WORKS</u>					
ENGINEERING	\$1,344,461	\$1,412,800	\$1,512,900	\$998,500	2.25%
TRAFFIC ENGINEERING	995,065	1,031,800	938,100	1,027,500	2.31%
PUBLIC WORKS ADMIN.	394,455	428,900	443,300	433,900	0.98%
SOLID WASTE COLLECTION	2,046,972	2,174,300	2,139,700	2,302,400	5.18%
STREET MAINTENANCE	2,750,632	2,840,900	2,404,300	2,452,000	5.52%
TOTAL PUBLIC WORKS	<u>\$7,531,585</u>	<u>\$7,888,700</u>	<u>\$7,438,300</u>	<u>\$7,214,300</u>	<u>16.23%</u>
<u>PUBLIC SAFETY</u>					
POLICE ADMINISTRATION	\$444,253	\$482,000	\$487,500	\$548,500	1.23%
POLICE INVESTIGATIONS	1,345,346	1,504,700	1,521,600	1,599,000	3.60%
POLICE PATROL	6,458,523	6,486,800	6,466,300	6,952,000	15.64%
POLICE COMMUNICATIONS	1,698,833	1,893,100	1,814,800	1,948,400	4.38%
FIRE ADMINISTRATION	714,282	874,500	926,100	945,800	2.13%
FIRE PREVENTION	456,668	437,500	447,000	468,200	1.05%
FIRE OPERATIONS	5,956,187	7,356,000	7,104,900	7,354,200	16.55%
TOTAL PUBLIC SAFETY	<u>\$17,074,092</u>	<u>\$19,034,600</u>	<u>\$18,768,200</u>	<u>\$19,816,100</u>	<u>44.59%</u>

**GENERAL FUND
EXPENDITURE SUMMARY**
Summarized by Function

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	PERCENT OF BUDGET
<u>CULTURE & PARKS</u>					
PARKS & RECREATION ADMIN.	\$513,841	\$564,500	\$557,800	\$565,700	1.27%
BUILDING MAINTENANCE	1,042,461	1,057,300	1,064,000	1,159,900	2.61%
PARK MAINTENANCE	3,775,286	4,150,800	4,020,900	4,311,800	9.70%
RECREATION	1,570,195	1,673,000	1,680,200	1,772,500	3.99%
SWIMMING POOL	200,772	208,200	214,900	223,600	0.50%
SENIOR CENTER	571,965	534,600	536,400	560,100	1.26%
PARK BOARD	8,547	10,600	10,600	10,600	0.02%
SENIOR ADVISORY BOARD	4,202	9,400	9,400	8,400	0.02%
CHRISTMAS	110,793	149,600	153,600	157,600	0.35%
LIBRARY	1,822,474	1,910,100	1,915,400	1,897,200	4.27%
TOTAL CULTURE & PARKS	<u>\$9,620,536</u>	<u>\$10,268,100</u>	<u>\$10,163,200</u>	<u>\$10,667,400</u>	<u>24.00%</u>
TOTAL OPERATING	<u>\$40,658,690</u>	<u>\$45,493,600</u>	<u>\$44,732,500</u>	<u>\$44,445,000</u>	<u>100.00%</u>
<u>SPECIAL EXPENDITURES</u>					
TRANSFER TO CIP	<u>\$4,300,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.00%</u>
TOTAL SPECIAL EXPEND.	<u>\$4,300,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.00%</u>
GRAND TOTAL	<u>\$44,958,690</u>	<u>\$45,493,600</u>	<u>\$44,732,500</u>	<u>\$44,445,000</u>	<u>100.00%</u>

**GENERAL FUND
EXPENDITURE SUMMARY**
Summarized by Type of Expenditure

EXPENDITURES BY TYPE	ACTUAL		ADOPTED BUDGET		YEAR-END AMENDED BUDGET		ADOPTED BUDGET	
	2006-07		2007-08		2007-08		2008-09	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Personal Services/Benefits								
Full-Time	\$ 21,513,907	52.91%	\$ 23,659,000	52.01%	\$ 23,868,700	53.36%	\$ 23,762,300	53.46%
Part-Time	1,123,392	2.76%	1,265,900	2.78%	1,253,700	2.80%	1,132,300	2.55%
Overtime	1,045,823	2.57%	937,300	2.06%	974,600	2.18%	1,033,700	2.33%
Life & Health	2,440,436	6.00%	2,780,600	6.11%	2,692,200	6.02%	2,804,000	6.31%
TMRS	3,349,221	8.24%	3,787,900	8.33%	3,858,300	8.63%	3,906,900	8.79%
Medicare	282,875	0.70%	306,400	0.67%	319,000	0.71%	311,400	0.70%
Workers' Compensation	410,900	1.01%	410,900	0.90%	246,400	0.55%	328,700	0.74%
Car Allowance	92,700	0.23%	98,400	0.22%	97,200	0.22%	97,500	0.22%
Subtotal	<u>\$ 30,259,254</u>	<u>74.42%</u>	<u>\$ 33,246,400</u>	<u>73.08%</u>	<u>\$33,310,100</u>	<u>74.47%</u>	<u>\$ 33,376,800</u>	<u>75.10%</u>
Purchased Prof & Tech Services	\$ 1,187,150	2.92%	\$ 1,079,400	2.37%	\$ 1,377,500	3.08%	\$ 1,141,200	2.57%
Supplies	1,896,576	4.66%	1,970,200	4.33%	2,098,800	4.69%	2,159,300	4.86%
Repairs & Maintenance	3,846,797	9.46%	3,921,700	8.62%	3,884,400	8.68%	3,845,100	8.65%
Services	3,431,292	8.44%	3,696,000	8.12%	3,745,500	8.37%	4,134,300	9.30%
Production & Disposal	280,648	0.69%	282,800	0.62%	289,200	0.65%	335,400	0.75%
Contracts	191,000	0.47%	192,000	0.42%	192,000	0.43%	208,500	0.47%
Christmas Activities	86,239	0.21%	118,200	0.26%	118,200	0.26%	118,200	0.27%
Other Objects	539,937	1.33%	1,002,300	2.20%	756,100	1.69%	693,600	1.56%
Special Incentive	296,714	0.73%	725,600	1.59%	470,500	1.05%	65,100	0.15%
Transfers	(1,356,917)	-3.34%	(741,000)	-1.63%	(1,509,800)	-3.38%	(1,632,500)	-3.67%
Total Appropriations	<u>\$ 40,658,690</u>	<u>100.00%</u>	<u>\$ 45,493,600</u>	<u>100.00%</u>	<u>\$ 44,732,500</u>	<u>100.00%</u>	<u>\$ 44,445,000</u>	<u>100.00%</u>



**FARMERS
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GENERAL GOVERNMENT

General Government consists of four divisions: General Government, General Contracts, Legal, and Non-Departmental.

The General Government Division is used to account for expenses associated with the City Council. The General Contracts Division is used to account for services provided to citizens by City Council approved non-profit organizations. The Legal Division is used to account for expenses associated with the City's contracted legal counsel. The Non-Departmental Division accounts for expenses and interfund transfers not directly associated with any other General Fund Department or Division.

GENERAL GOVERNMENT SUMMARY	YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	% CHANGE FROM AMENDED BUDGET
<i>Supplies</i>	\$16,800	\$6,281	\$16,800	\$12,100	\$16,800	38.84%
<i>Purchased Prof & Tech Services</i>	770,400	900,870	770,400	1,044,400	770,400	-26.24%
<i>Services</i>	110,400	85,811	94,400	118,000	116,300	-1.44%
<i>Contracts</i>	191,000	191,000	192,000	192,000	208,500	8.59%
<i>Other Objects</i>	538,500	539,937	1,002,300	756,100	693,600	-8.27%
<i>Special Incentive</i>	289,400	296,714	725,600	470,500	65,100	-86.16%
<i>Transfers</i>	(3,458,000)	(3,462,317)	(2,849,300)	(2,910,500)	(3,089,000)	6.13%
Total Department Budget	<u>(\$1,541,500)</u>	<u>(\$1,441,704)</u>	<u>(\$47,800)</u>	<u>(\$317,400)</u>	<u>(\$1,218,300)</u>	<u>283.84%</u>

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09
GENERAL GOVERNMENT					
<i>Supplies</i>	\$16,800	\$6,281	\$16,800	\$12,100	\$16,800
<i>Services</i>	110,400	85,811	94,400	118,000	116,300
Total Budget	<u>\$127,200</u>	<u>\$92,092</u>	<u>\$111,200</u>	<u>\$130,100</u>	<u>\$133,100</u>
GENERAL CONTRACTS					
<i>Contracts</i>	\$191,000	\$191,000	\$192,000	\$192,000	\$208,500
Total Budget	<u>\$191,000</u>	<u>\$191,000</u>	<u>\$192,000</u>	<u>\$192,000</u>	<u>\$208,500</u>
LEGAL					
<i>Services</i>	\$770,400	\$900,870	\$770,400	\$1,044,400	\$770,400
Total Budget	<u>\$770,400</u>	<u>\$900,870</u>	<u>\$770,400</u>	<u>\$1,044,400</u>	<u>\$770,400</u>
Note: Approximately \$100,000 of legal services is for prosecutor costs.					
NON-DEPARTMENTAL					
<i>Other Objects</i>	\$538,500	\$539,937	\$1,002,300	\$756,100	\$693,600
<i>Special Incentive</i>	289,400	296,714	725,600	470,500	65,100
<i>Transfers</i>	(3,458,000)	(3,462,317)	(2,849,300)	(2,910,500)	(3,089,000)
Total Budget	<u>(\$2,630,100)</u>	<u>(\$2,625,666)</u>	<u>(\$1,121,400)</u>	<u>(\$1,683,900)</u>	<u>(\$2,330,300)</u>



**FARMERS
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GENERAL ADMINISTRATION

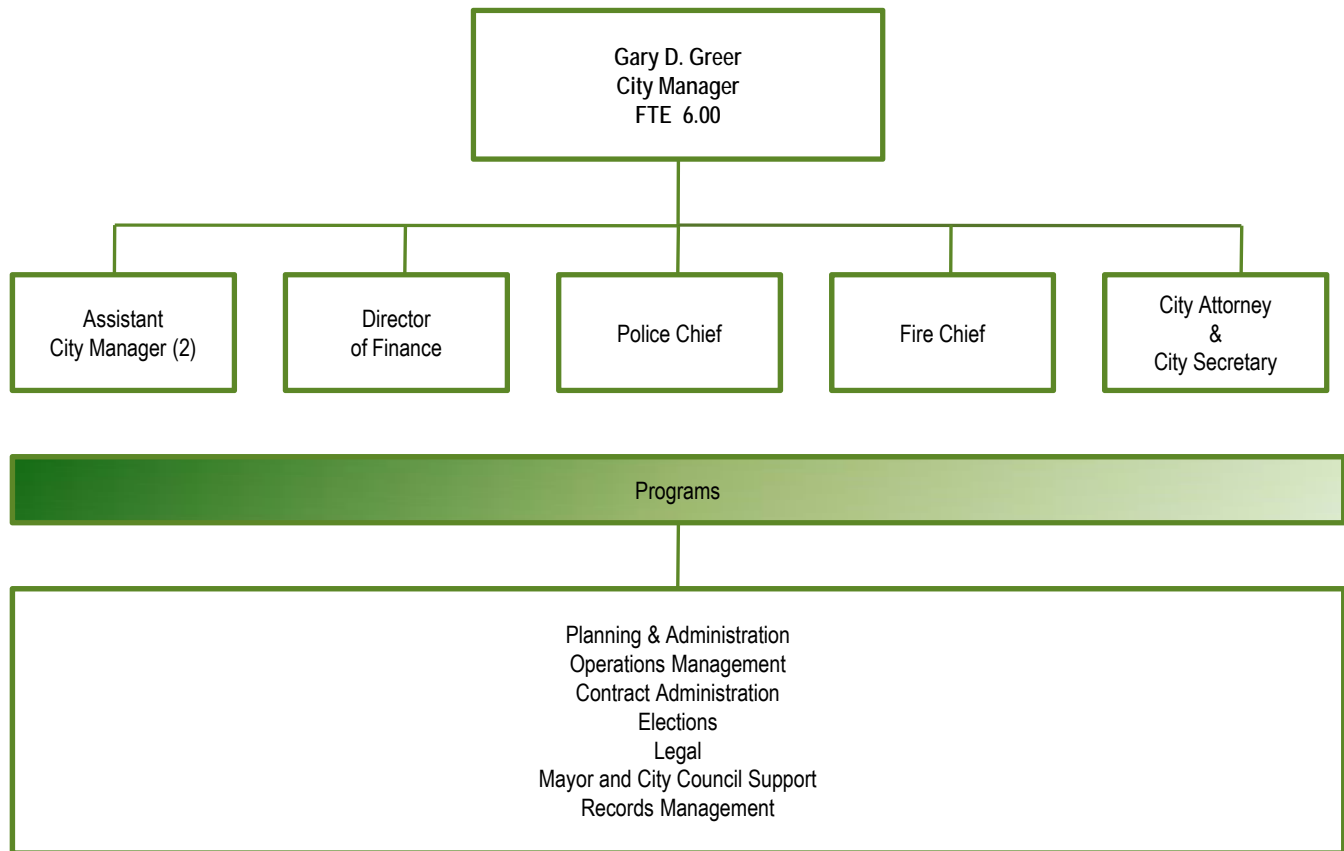
The General Administration Department is the Office of the City Manager and includes the Communications & Marketing Department and the Economic Development & Tourism Office. The Office of the City Manager is responsible to the City Council for the proper administration of all affairs of the City under its jurisdiction and must keep the City Council informed.

The Office of the City Manager develops and implements, directly or through various departments, programs of the City. The office is also responsible for numerous community and intergovernmental relations activities as well as special programs such as records management, legislative affairs, redevelopment, and franchise administration.

2008-09 GOALS & OBJECTIVES

1. Fulfill policy directives by achieving goals identified by the City Council. *(Core Value 10)*
2. Continue to develop performance measures to evaluate performance of each department. *(Core Value 10)*
3. Continue process of converting all ordinances and resolutions to a searchable electronic format. *(Core Value 8)*
4. Develop and implement a “green” policy for city programs, facilities and projects. *(Core Value 4)*
5. Conduct two town hall meetings. *(Core Value 8)*
6. Evaluate face-to-face contacts with the public and implement ideas that enhance those interactions and improve customer service. *(Core Value 8)*
7. Assist Finance Department staff in “right-sizing” the organization to provide sustainability. *(Core Value 7)*
8. Assist Finance Department staff in conducting an efficiency audit on three departments to seek possible efficiency measures. *(Core Value 7)*
9. Conclude study of possible consolidation of departments. *(Core Value 7)*
10. Increase grant and external funding dollars awarded by 20% (all departments). *(Core Value 7)*
11. Achieve resident satisfaction with municipal services of at least 80%. *(Core Value 9)*
12. Enlist the Business Community Relations Board to solicit input. *(Core Value 9)*
13. Complete Attorney General’s Open Records and Open Meetings training. *(Core Value 10)*

Administration



GENERAL ADMINISTRATION SUMMARY	YEAR-END		YEAR-END		% CHANGE	
	AMENDED		ADOPTED	AMENDED	ADOPTED	FROM
	BUDGET	ACTUAL	BUDGET	BUDGET	BUDGET	AMENDED
	2006-07	2006-07	2007-08	2007-08	2008-09	BUDGET
<i>Personal Services/Benefits</i>	\$971,300	\$1,007,584	\$941,500	\$1,009,300	\$880,600	-12.75%
<i>Supplies</i>	15,400	13,837	13,900	13,300	13,900	4.51%
<i>Repairs & Maintenance</i>	2,300	1,926	2,300	2,300	2,300	0.00%
<i>Services</i>	52,100	47,022	34,400	42,700	39,600	-7.26%
Total Department Budget	<u>\$1,041,100</u>	<u>\$1,070,369</u>	<u>\$992,100</u>	<u>\$1,067,600</u>	<u>\$936,400</u>	<u>-12.29%</u>

COMMUNICATIONS & MARKETING

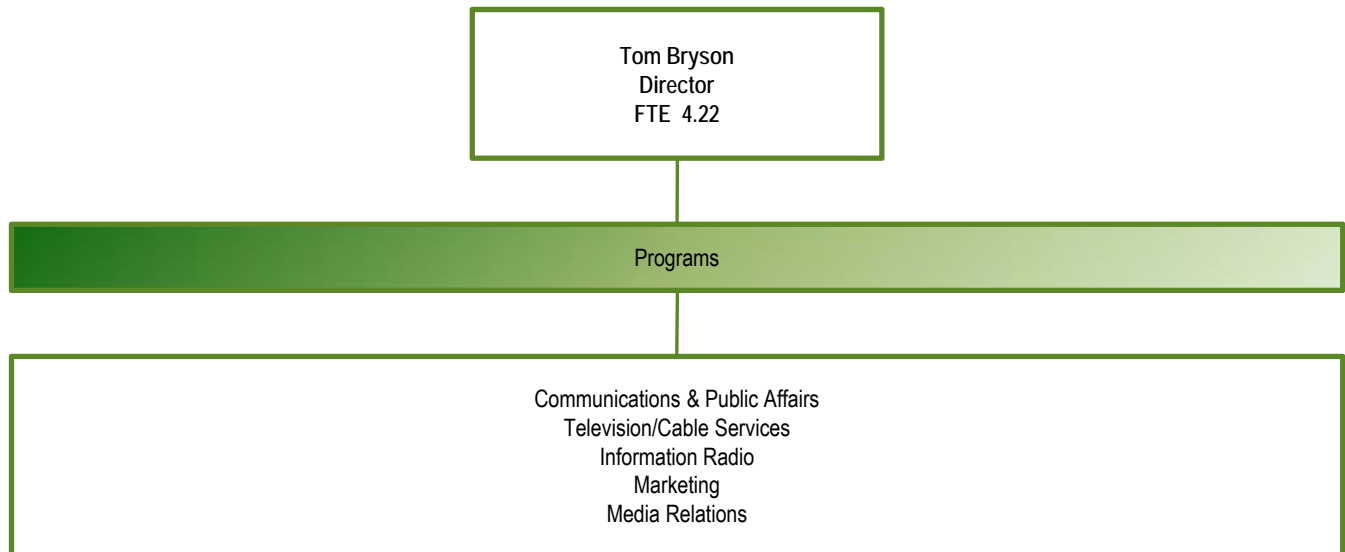
The responsibility of the Communications & Marketing Department is to provide current and accurate information about City of Farmers Branch programs, activities, services, events and news making occurrences. In addition, it is the responsibility of the department to increase awareness of the City of Farmers Branch. Information is presented to the citizens, newcomers, media, and employees through the Branch Review, FBTV-Cable Channel 16, Farmers Branch Information Radio at 1670 AM, City website at www.farmersbranch.info, employee newsletter, personal contacts, Branch Mail e-mail news notifications, video programs and news releases.

The department executes all public information campaigns and serves as the media relations representative both on a daily basis and in emergency situations. The department also serves as a resource center for citizens, staff, civic groups, and the news media and provides support for special projects for other departments.

2008-09 GOALS & OBJECTIVES

1. Work with the Economic Development Office and other departments to evaluate the effectiveness and value of housing incentive programs. *(Core Value 3)*
2. Work with the Economic Development Office to develop a marketing strategy for the Four Corners area redevelopment and implement plan. *(Core Value 3)*
3. Complete update(s) to the City's Website and work with departments to efficiently operate the Website for maximum benefit of users. *(Core Value 8)*
4. Upgrade audio/video equipment to improve FBTV productions. *(Core Value 8)*
5. Expand availability of new resident information booklet. *(Core Value 8)*
6. Rename the City's newsletter "Branch Bulletin" to create brand identity and threaded information sources, along with the FBTV broadcast and AM radio broadcast of the same name. *(Core Value 8)*
7. Produce the City's annual report in advance of State of the City presentations given early in the calendar year. *(Core Value 8)*
8. Continue to enhance the FBTV public service announcement library with 12 new productions. *(Core Value 8)*
9. Produce the City's annual calendar by December 2008. *(Core Value 8)*
10. Conduct citywide Cleanup Day 2009 in the spring. *(Core Value 3)*

Communications & Marketing



COMMUNICATIONS & MARKETING SUMMARY	YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	% CHANGE FROM AMENDED BUDGET
<i>Personal Services/Benefits</i>	\$325,700	\$323,575	\$338,000	\$388,000	\$354,100	-8.74%
<i>Supplies</i>	22,700	21,564	23,700	25,900	20,500	-20.85%
<i>Repairs & Maintenance</i>	5,700	5,619	3,700	4,900	3,900	-20.41%
<i>Services</i>	66,300	59,005	67,800	75,600	71,100	-5.95%
<i>Transfers</i>	37,000	37,000	29,700	29,700	0	N/A
Total Department Budget	<u>\$457,400</u>	<u>\$446,763</u>	<u>\$462,900</u>	<u>\$524,100</u>	<u>\$449,600</u>	<u>-14.21%</u>

ECONOMIC DEVELOPMENT & TOURISM

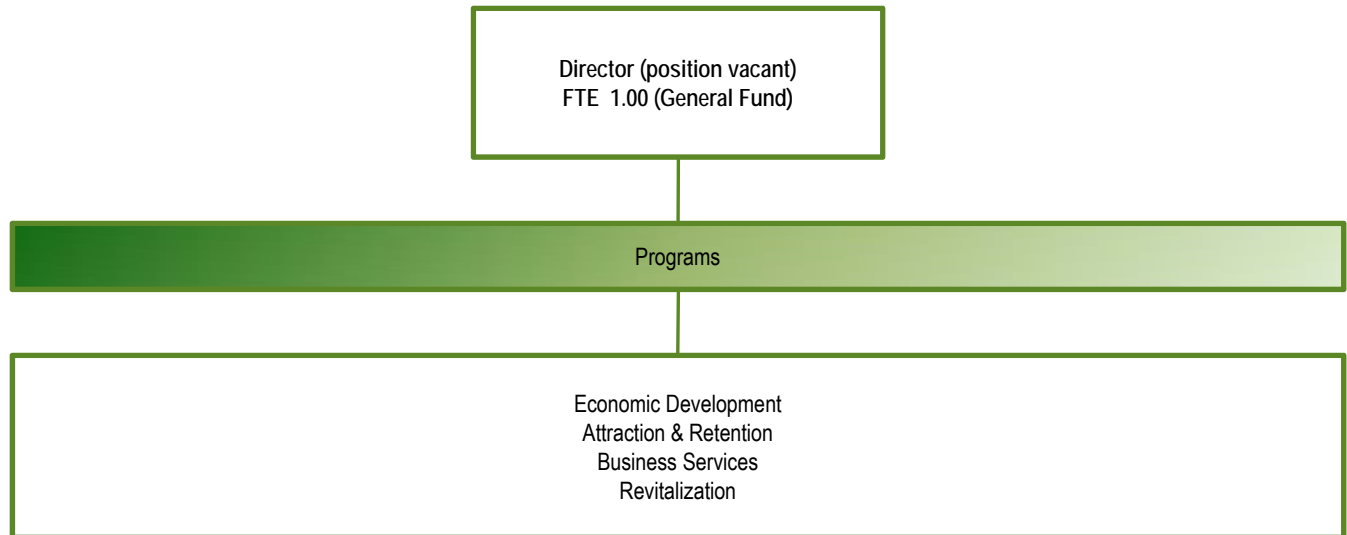
The Economic Development & Tourism Office serves as the development representative for the City and is responsible for the attraction of business and industry both nationally and internationally, retention and expansion of existing business and industry, and promotion of local convention and tourism business. The office is a part of the Office of the City Manager. (Note: Functions of the Economic Development & Tourism Office are reported in two funds. The Economic Development function is reported in the General Fund and the Tourism function is reported in the Hotel/Motel Fund.)

2008-09 GOALS & OBJECTIVES

Economic Development

1. Update economic development strategy. *(Core Value 2)*
2. Increase the number of net jobs in the community by 10%. *(Core Value 2)*
3. Increase the number of net square feet of business activity in the City by 10%. *(Core Value 2)*
4. Secure three major business locations and three business retentions. *(Core Value 2)*
5. Develop strategy for Four Corners development. *(Core Value 4)*
6. In conjunction with the Community Services Department, expedite and approve three new major development projects (new construction in excess of \$5 million). *(Core Value 3)*
7. In conjunction with the Community Services Department, work with a redevelopment consultant to purchase and raze one project for redevelopment. *(Core Value 3)*
8. Conduct business survey of municipal services. *(Core Value 9)*

Economic Development & Tourism



The Economic Development & Tourism Office also includes Tourism activities, which are detailed in the Hotel/Motel Fund section of this document.

ECONOMIC DEVELOPMENT SUMMARY	YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	% CHANGE FROM AMENDED BUDGET
<i>Personal Services/Benefits</i>	\$316,100	\$292,839	\$343,200	\$330,500	\$242,800	-26.54%
<i>Supplies</i>	10,000	5,944	8,600	8,600	9,200	6.98%
<i>Services</i>	64,000	44,758	65,200	65,200	60,200	-7.67%
Total Department Budget	<u>\$390,100</u>	<u>\$343,541</u>	<u>\$417,000</u>	<u>\$404,300</u>	<u>\$312,200</u>	<u>-22.78%</u>

HUMAN RESOURCES

The responsibilities of the department are to act as a partner, change agent and innovative leader in all human resource areas, to capitalize on employee strengths, to broaden recruiting efforts, to resolve issues, to increase retention, to provide superior benefits and compensation for individuals, to enhance and encourage wellness activities, and to provide ancillary services that support the values and ongoing objectives the City.

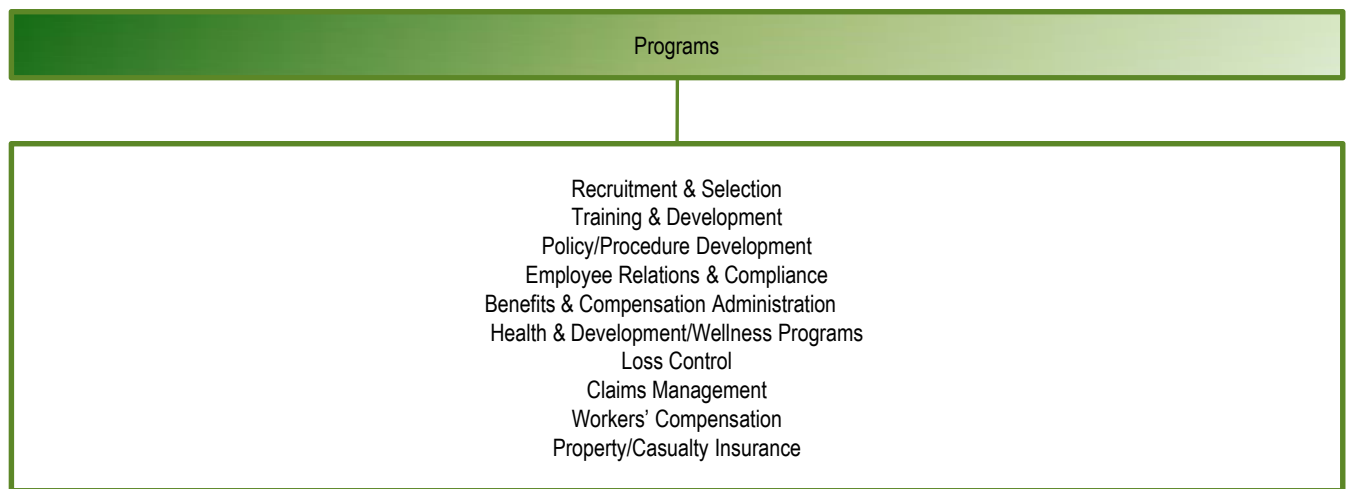
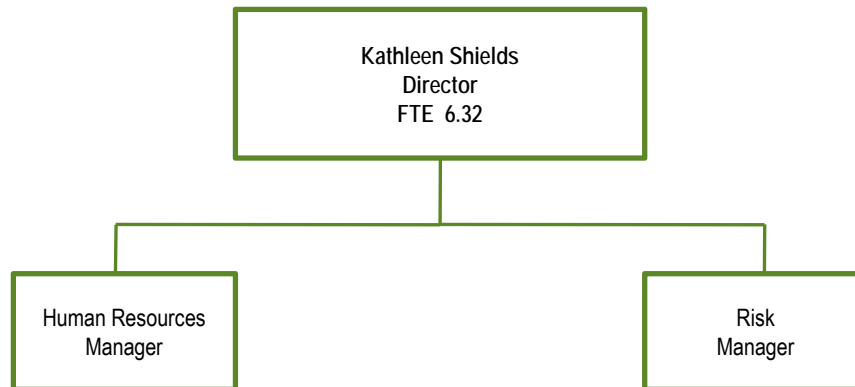
2008-09 GOALS & OBJECTIVES

1. Conduct a compensation study. *(Core Value 6)*
2. Expand and review all Wellness Program activities to increase the number of employees qualifying for discounts by five percent. *(Core Value 6)*
3. Complete implementation of the automated recruiting and employment system. *(Core Value 6)*
4. Finalize Website updates and conversions. *(Core Value 6)*
5. Develop leadership and succession plan programs and expand opportunities for learning and skill enhancement. *(Core Value 6)*
6. Develop and implement a staff recognition program. *(Core Value 6)*
7. Increase training hours for all departments. *(Core Value 6 and Core Value 10)*
8. Establish a Disney Institute trainer and develop and implement a training program. *(Core Value 6)*
9. Review Ethics Policy and Code of Conduct with all employees and ensure everyone is aware of the ethical standards expected of them. *(Core Value 10)*

BUDGET HIGHLIGHTS

Included funds for a compensation study.

Human Resources



HUMAN RESOURCES SUMMARY	YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	% CHANGE FROM AMENDED BUDGET
<i>Personal Services/Benefits</i>	\$594,500	\$564,297	\$570,700	\$607,700	\$552,800	-9.03%
<i>Supplies</i>	36,900	26,474	43,600	40,600	37,800	-6.90%
<i>Repairs & Maintenance</i>	600	0	1,200	1,200	9,200	666.67%
<i>Services</i>	172,300	144,881	185,800	166,800	209,700	25.72%
<i>Transfers</i>	0	0	0	10,000	0	N/A
Total Department Budget	<u>\$804,300</u>	<u>\$735,652</u>	<u>\$801,300</u>	<u>\$826,300</u>	<u>\$809,500</u>	<u>-2.03%</u>

FINANCE

The Finance Department is comprised of five divisions: Administration, Accounting, Information Services, Purchasing, and Municipal Court. The department is dedicated to providing quality financial and information services to achieve internal and external customer satisfaction in a manner that is effective, efficient, equitable, and courteous. This is accomplished by maintaining a work atmosphere that promotes integrity, accountability and professional staff development and innovation while complying with professional standards, City policy and the law.

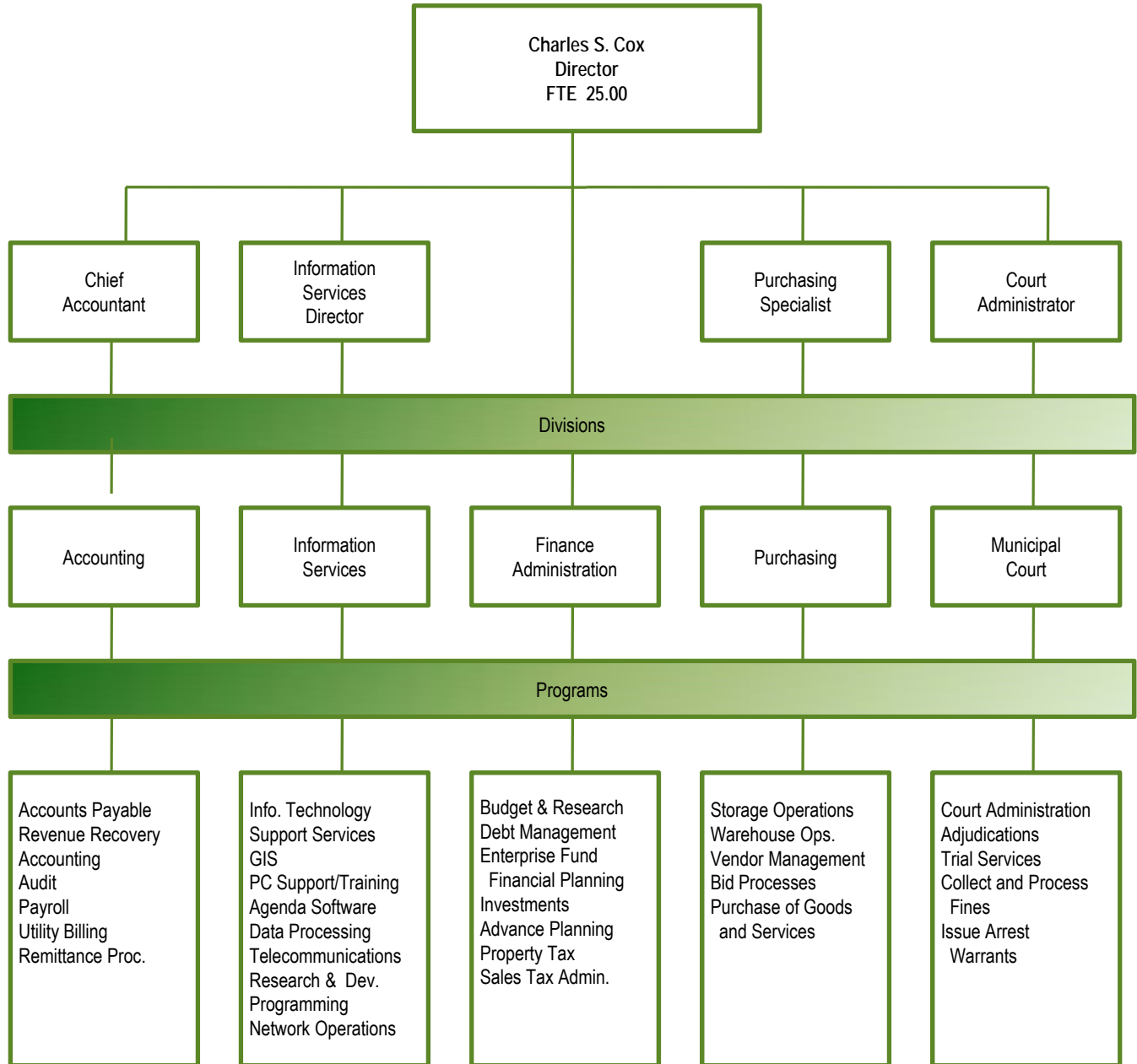
The responsibilities of the department are to develop and implement financial accounting policies and procedures; to contract for the purchase of goods and services in compliance with City policies and State laws; to protect and optimize the financial resources of the City; to provide a sound accounting system for safeguarding the City's assets through the recording and reporting of financial transactions in a manner consistent with Generally Accepted Accounting Principles (GAAP) and legally mandated standards; to schedule trials and the adjudication of those legal matters within its jurisdiction; collect and process fines assessed by the court; and, issue arrest warrants. In addition, this department serves all users of the City's PC based and mini AS/400 based computer systems, Geographical Information System (GIS) and telephone system.

The departmental goals are to participate in the development of sound fiscal policies; to provide sound fiscal management for the City; to maintain a high credit bond rating; and, to provide for the management and investment of available funds consistent with criteria for safety, liquidity and rate of return.

2008-09 GOALS & OBJECTIVES

1. Develop a plan to assure sustainability of the TMRS program. (*Core Value 6*)
2. Provide efficient and fiscally sound government through conservative budgeting, spending and resource management. (*Core Value 7*)
3. Maintain the City's tax rate. (*Core Value 7*)
4. Conduct a revenue audit to secure proper revenues and evaluate new and existing revenue sources. (*Core Value 7*)
5. Develop a plan to incrementally increase cash balance levels in the General Fund (90 day reserve). (*Core Value 7*)
6. Support legislative efforts to maintain control of fiscal matters by the City Council. (*Core Value 7*)
7. Assist the General Administration Department in "right-sizing" the organization to provide sustainability. (*Core Value 7*)
8. Assist the General Administration Department in conducting an efficiency audit on three departments to seek possible efficiency measures. (*Core Value 7*)
9. Work with departments to increase grant and external funding dollars awarded by 20% and evaluate current grants and future opportunities. (*Core Value 7*)
10. Provide responsive and timely service to citizens, visitors and businesses. (*Core Value 9*)

Finance



FINANCE SUMMARY	YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	% CHANGE FROM AMENDED BUDGET
Personal Services/Benefits	\$2,052,800	\$1,995,677	\$2,123,600	\$2,190,500	\$2,081,800	-4.96%
Purchased Prof & Tech Services	216,600	208,883	228,000	252,100	241,600	-4.17%
Supplies	247,500	236,366	169,000	176,600	179,100	1.42%
Repairs & Maintenance	251,500	251,134	286,200	286,200	286,200	0.00%
Services	119,900	105,096	122,400	125,900	129,200	2.62%
Transfers	75,000	75,000	106,000	111,000	30,000	-72.97%
Total Department Budget	<u>\$2,963,300</u>	<u>\$2,872,156</u>	<u>\$3,035,200</u>	<u>\$3,142,300</u>	<u>\$2,947,900</u>	<u>-6.19%</u>

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09
FINANCE ADMINISTRATION					
<i>Personal Services/Benefits</i>	\$372,300	\$370,009	\$350,500	\$354,100	\$368,500
<i>Purchased Prof & Tech Services</i>	206,700	203,476	218,100	242,200	231,200
<i>Supplies</i>	10,900	9,573	11,300	11,900	16,600
<i>Services</i>	19,800	14,347	19,100	18,500	20,000
Total Budget	\$609,700	\$597,405	\$599,000	\$626,700	\$636,300
INFORMATION SERVICES					
<i>Personal Services/Benefits</i>	\$613,200	\$619,608	\$646,500	\$663,900	\$673,800
<i>Supplies</i>	191,700	190,822	118,700	118,700	118,700
<i>Repairs & Maintenance</i>	250,500	250,337	285,000	285,000	285,000
<i>Services</i>	50,000	49,682	51,200	51,200	51,800
<i>Transfers</i>	75,000	75,000	106,000	111,000	30,000
Total Budget	\$1,180,400	\$1,185,449	\$1,207,400	\$1,229,800	\$1,159,300
ACCOUNTING					
<i>Personal Services/Benefits</i>	\$429,100	\$428,538	\$445,000	\$474,300	\$462,100
<i>Supplies</i>	15,300	15,353	10,900	13,900	15,000
<i>Repairs & Maintenance</i>	1,000	797	1,200	1,200	1,200
<i>Services</i>	32,300	29,350	34,300	37,900	37,900
Total Budget	\$477,700	\$474,038	\$491,400	\$527,300	\$516,200
PURCHASING					
<i>Personal Services/Benefits</i>	\$135,000	\$134,622	\$141,100	\$155,900	\$98,500
<i>Supplies</i>	2,300	1,536	2,300	6,300	3,000
<i>Services</i>	9,000	5,594	9,000	9,500	9,800
Total Budget	\$146,300	\$141,752	\$152,400	\$171,700	\$111,300
MUNICIPAL COURT					
<i>Personal Services/Benefits</i>	\$503,200	\$442,900	\$540,500	\$542,300	\$478,900
<i>Purchased Prof & Tech Services</i>	9,900	5,407	9,900	9,900	10,400
<i>Supplies</i>	27,300	19,082	25,800	25,800	25,800
<i>Services</i>	8,800	6,123	8,800	8,800	9,700
Total Budget	\$549,200	\$473,512	\$585,000	\$586,800	\$524,800



**FARMERS
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COMMUNITY SERVICES

The Community Services Department is comprised of three divisions: Administration, Building Inspection and Environmental Health.

The Community Services Administration Division oversees the operations of the department and houses the City's planning activities. The division manages the City's land development process and coordinates the long-range comprehensive planning process. The division processes development applications, provides technical support to the Planning and Zoning Commission and City Council, maintains the Comprehensive Plan, prepares ordinances, and conducts special land use and demographic studies as necessary.

The Building Inspection Division primarily administers and enforces the City's various construction codes, minimum housing code, property maintenance code, and zoning regulations. The City's Code Enforcement Program is operated under this division. The division reviews construction plans, issues permits, pursues the abatement of nuisances, and conducts a broad range of on-site inspections related to the regulations it is charged with enforcing.

The Environmental Health Division administers a range of public and environmental health programs, is actively involved in remediation of soil/air/groundwater contamination, and manages the City's animal services operations. The division regulates food service establishments, industrial wastewater discharges, and public and semi-public swimming pools. The division also manages the City's health services contract with the Dallas County Health Department. Other responsibilities include hazardous material spill response, mosquito population control and enforcing noise regulations.

2008-09 GOALS & OBJECTIVES

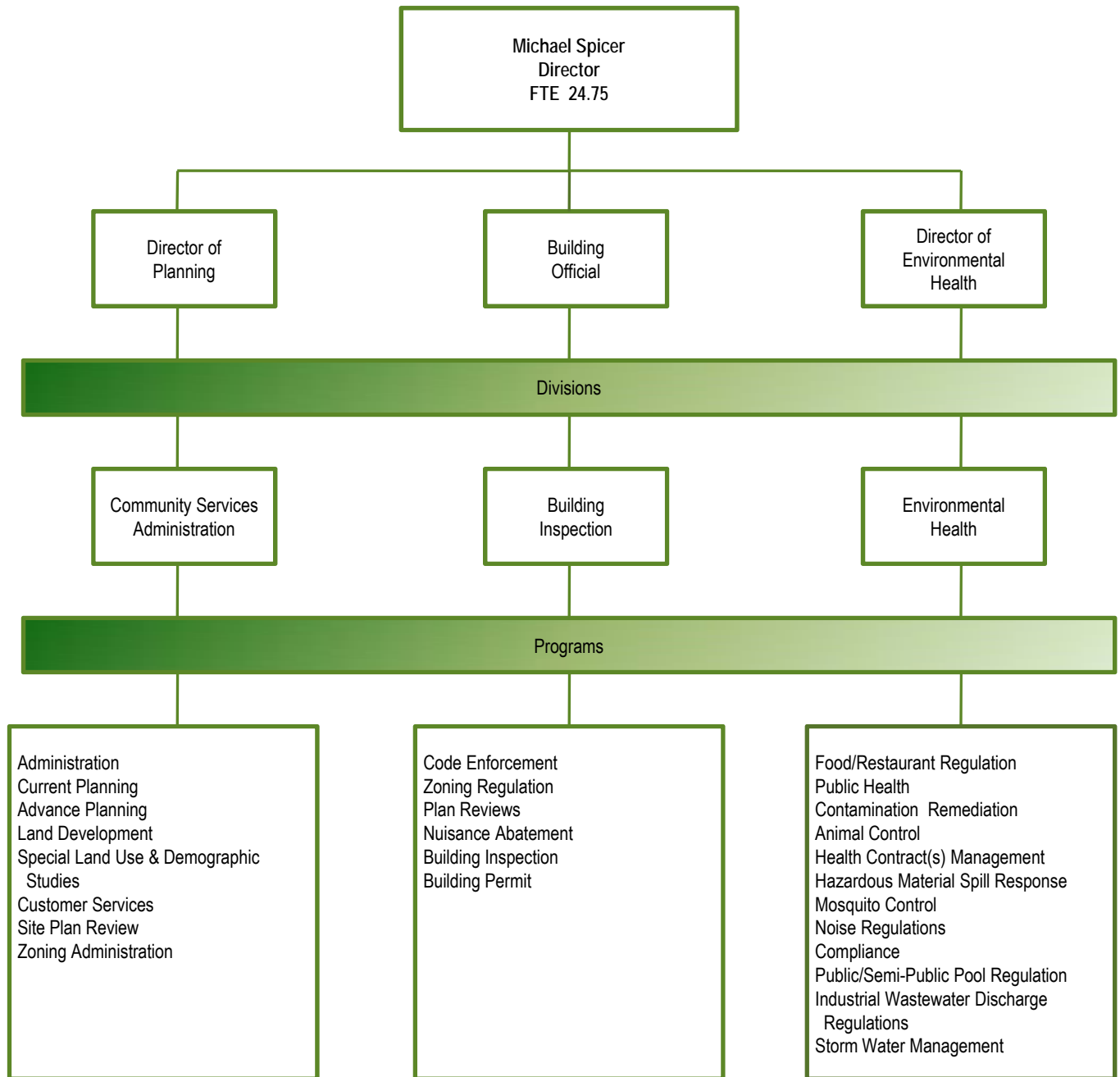
1. Continue cooperative efforts, training and grants management with the Fire and Police Departments and state and federal agencies in weapons of mass destruction, pandemic influenza, hazardous materials response, and disaster preparedness. *(Core Value 1)*
2. Implement 2nd year of five-year Phase II Storm Water Program. *(Core Value 5)*
3. Complete construction and begin operation of the new Animal Adoption Center. *(Core Value 5)*
4. Implement a single-family home rental license program. *(Core Value 3)*
5. Coordinate with the Master Developer to facilitate the first phase of development within the Farmers Branch Station Area. *(Core Value 3)*
6. Develop a work program to manage the update of the Central Area and East Side sectors of the Comprehensive Plan. *(Core Value 3)*
7. Complete reorganization and redesign of the Comprehensive Zoning Ordinance. *(Core Value 3)*
8. Begin preparation of new development regulations for the Four Corners area based on the adopted Vision Plan. *(Core Value 3)*
9. Review codes and revise as necessary to better prioritize issues of greatest concern and improve overall program effectiveness. *(Core Value 3)*
10. Increase voluntary compliance response to initial code violation correction notices within the first nine days by five percent through increased public awareness of property maintenance regulations. *(Core Value 3)*

11. Work with the Economic Development Office to expedite and approve three new major development projects (new construction in excess of \$5 million). *(Core Value 3)*
12. In conjunction with the Economic Development Office, work with a redevelopment consultant to purchase and raze one project for redevelopment. *(Core Value 3)*

BUDGET HIGHLIGHTS

1. Funds included to operate and maintain the new Farmers Branch Animal Adoption Center opening in the 2008-09 fiscal year.
2. Funds included for implementation of new software to manage field operations for animal services.

Community Services



COMMUNITY SERVICES SUMMARY	YEAR-END			YEAR-END		% CHANGE FROM AMENDED BUDGET
	AMENDED		ADOPTED	AMENDED	ADOPTED	
	BUDGET	ACTUAL	BUDGET	BUDGET	BUDGET	
	2006-07	2006-07	2007-08	2007-08	2008-09	
<i>Personal Services/Benefits</i>	\$2,048,300	\$1,999,561	\$2,165,100	\$2,214,400	\$2,117,500	-4.38%
<i>Supplies</i>	81,000	74,507	71,100	79,300	79,800	0.63%
<i>Repairs & Maintenance</i>	36,100	39,824	39,000	33,600	34,400	2.38%
<i>Services</i>	228,500	215,408	217,800	239,800	278,200	16.01%
<i>Transfers</i>	76,400	76,400	148,500	148,500	0	N/A
Total Department Budget	<u>\$2,470,300</u>	<u>\$2,405,700</u>	<u>\$2,641,500</u>	<u>\$2,715,600</u>	<u>\$2,509,900</u>	<u>-7.57%</u>

SUMMARY BUDGET CATEGORIES

YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09
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COMMUNITY SERVICES ADMIN.

<i>Personal Services/Benefits</i>	\$644,900	\$588,256	\$696,100	\$643,900	\$596,200
<i>Supplies</i>	20,100	19,115	14,500	14,500	13,300
<i>Repairs & Maintenance</i>	1,300	315	2,100	2,100	2,100
<i>Services</i>	83,700	76,742	59,300	79,100	74,800
Total Budget	\$757,100	\$691,528	\$772,000	\$739,600	\$686,400

BUILDING INSPECTION

<i>Personal Services/Benefits</i>	\$851,900	\$853,714	\$900,400	\$1,003,900	\$903,000
<i>Supplies</i>	31,200	29,599	29,000	36,800	35,700
<i>Repairs & Maintenance</i>	17,800	20,574	18,800	11,200	13,600
<i>Services</i>	35,600	35,504	38,000	39,700	40,300
Total Budget	\$962,100	\$964,991	\$1,085,700	\$1,191,100	\$992,600

ENVIRONMENTAL HEALTH

<i>Personal Services/Benefits</i>	\$551,500	\$557,591	\$568,600	\$566,600	\$618,300
<i>Supplies</i>	29,700	25,793	27,600	28,000	30,800
<i>Repairs & Maintenance</i>	17,000	18,935	18,100	20,300	18,700
<i>Services</i>	109,200	103,162	120,500	121,000	163,100
<i>Transfers</i>	43,700	43,700	49,000	49,000	0
Total Budget	\$751,100	\$749,181	\$783,800	\$784,900	\$830,900

ENGINEERING

The Engineering Department is directed by the city engineer and is comprised of two divisions: Engineering and Traffic.

The Engineering Division plans, programs, and administers design of infrastructure improvements related to water distribution, sanitary sewer collection, streets, drainage, and creeks. This division is also responsible for construction inspection and administration of all capital improvements and administers platting and permitting.

The Traffic Division is responsible for planning and programming of traffic and thoroughfare improvements; evaluation of the impact of new developments; coordination of transportation planning activities with other governmental agencies; and, operation and maintenance of the traffic signal and school flasher systems within the City.

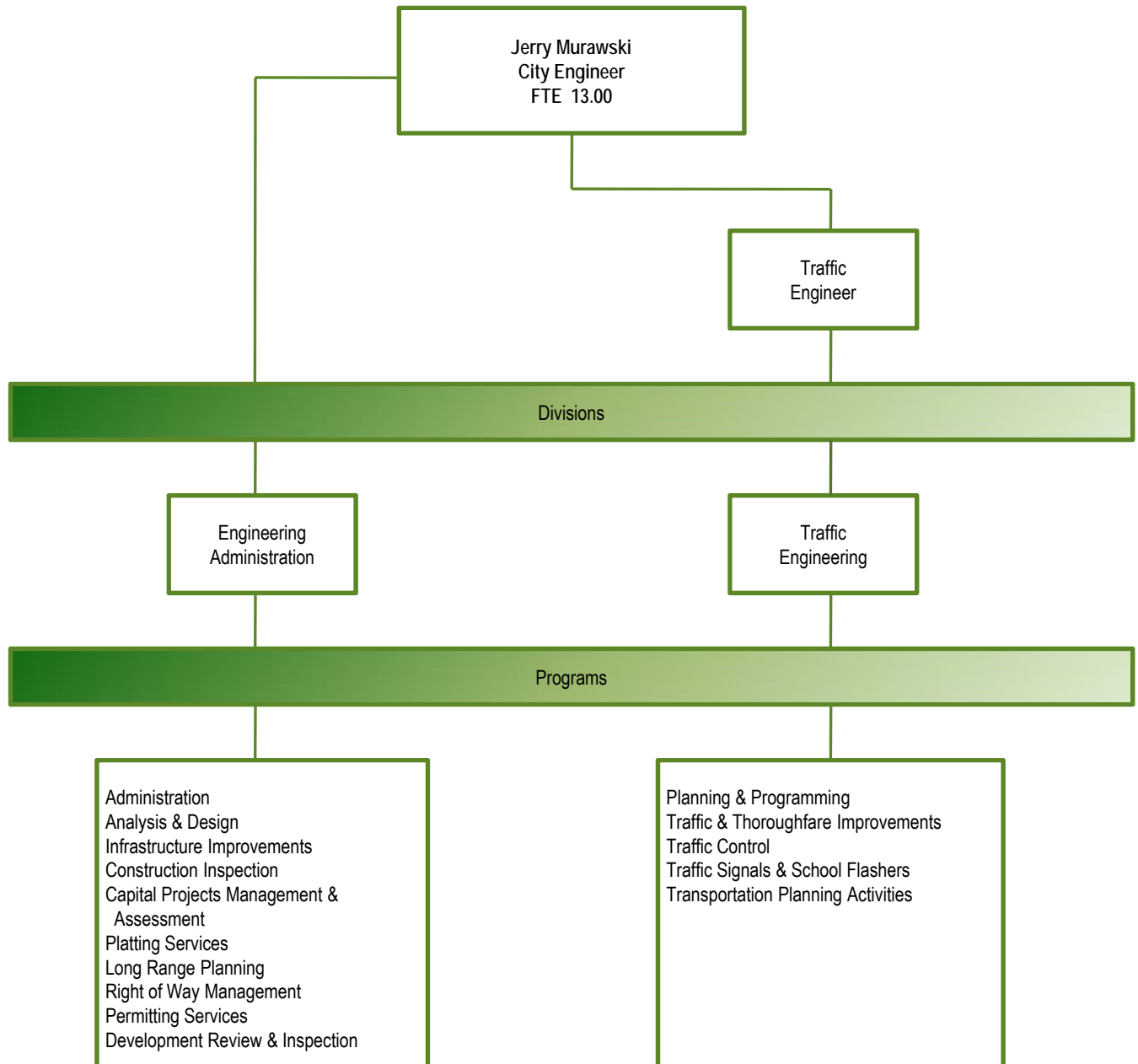
2008-09 GOALS & OBJECTIVES

1. Continue participation in the planning and implementation of infrastructure improvements associated with Tax Increment Financing District Number 1 (Mercer Crossing). *(Core Value 5)*
2. Administer design and construction contracts for infrastructure improvements associated with the Farmers Branch Station area (within Tax Increment Financing District Number 2). *(Core Value 3)*
3. Continue to represent the City's interest with the Texas Department of Transportation in the design and construction improvements of IH635 and IH35E. *(Core Value 5)*
4. Administer design and construction contracts for the capital improvement plan including the reconstruction of Benchmark Drive and the rehabilitation of Midway Road and Webb Chapel Road. *(Core Value 5)*
5. Complete the first and second phases of Liberty Plaza construction. *(Core Value 4)*
6. Complete the beautification project on Valley View and Webb Chapel Road. *(Core Value 4)*
7. Construct a bridge at the Historical Park. *(Core Value 4)*
8. Develop a funding strategy to achieve substantial completion of 18 lane miles of street resurfacing and 4,000 linear feet of sewer and water line rehabilitation. *(Core Value 5)*
9. Facilitate creation of the Mercer Crossing Public Improvement District. *(Core Value 5)*
10. Design and construct expanded parking at the Senior Center. *(Core Value 5)*
11. Continue streetscape enhancements throughout the city. *(Core Value 5)*

BUDGET HIGHLIGHTS

1. The street resurfacing program will continue to be implemented with funding from the Non-Bond CIP Fund.
2. The utility rehabilitation and replacement program will continue to be implemented with funding from the Non-Bond Utility Fund.

Engineering



ENGINEERING SUMMARY	YEAR-END AMENDED		ADOPTED BUDGET 2007-08	YEAR-END AMENDED		% CHANGE FROM AMENDED BUDGET
	BUDGET	ACTUAL		BUDGET	BUDGET	
	2006-07	2006-07		2007-08	2008-09	
<i>Personal Services/Benefits</i>	\$1,733,600	\$1,741,870	\$1,793,000	\$1,794,600	\$1,342,700	-25.18%
<i>Supplies</i>	26,500	24,822	27,800	34,900	37,900	8.60%
<i>Repairs & Maintenance</i>	163,600	156,993	165,700	163,400	160,800	-1.59%
<i>Services</i>	373,600	347,841	374,600	374,600	484,600	29.36%
<i>Transfers</i>	50,600	68,000	83,500	83,500	0	N/A
Total Department Budget	\$2,347,900	\$2,339,526	\$2,444,600	\$2,451,000	\$2,026,000	-17.34%

SUMMARY BUDGET CATEGORIES

YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09
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ENGINEERING

<i>Personal Services/Benefits</i>	\$1,253,700	\$1,250,762	\$1,298,100	\$1,396,500	\$902,900
<i>Supplies</i>	17,000	15,586	18,000	19,700	23,200
<i>Repairs & Maintenance</i>	21,200	19,763	21,200	21,200	15,500
<i>Services</i>	40,500	32,750	41,500	41,500	56,900
<i>Transfers</i>	25,600	25,600	34,000	34,000	0
Total Budget	\$1,358,000	\$1,344,461	\$1,412,800	\$1,512,900	\$998,500

TRAFFIC ENGINEERING

<i>Personal Services/Benefits</i>	\$479,900	\$491,108	\$494,900	\$398,100	\$439,800
<i>Supplies</i>	9,500	9,236	9,800	15,200	14,700
<i>Repairs & Maintenance</i>	142,400	137,230	144,500	142,200	145,300
<i>Services</i>	333,100	315,091	333,100	333,100	427,700
<i>Transfers</i>	25,000	42,400	49,500	49,500	0
Total Budget	\$989,900	\$995,065	\$1,031,800	\$938,100	\$1,027,500



**FARMERS
BRANCH**

PUBLIC WORKS

The Public Works Department is comprised of five divisions: Administration, Solid Waste Collection, Street Maintenance, Water & Sewer Administration, and Water & Sewer Operations. (Note: The Water & Sewer Administration and Water & Sewer Operations Divisions are reported in the Water & Sewer Fund.)

The Administration Division provides the planning, direction, and control of the daily operations for all divisions within the department.

The Solid Waste Collection Division inspects, observes, and monitors contractor operations at the sanitary landfill, which is operated by a private corporation through a Management and Operations Agreement with the City. This facility is operated in compliance with the Texas Commission on Environmental Quality rules and regulations. This division provides collection and disposal of all municipal solid waste from City properties and special events. This division also provides twice per week residential sanitation collection and once per week brush and bulky item collection. This division also operates a limited Citizen Collection Center at 1399 Valley View Lane for residents for the disposal of normal residential debris and recycling materials. Recycling materials may also be taken to the City's drop-off points located at the Don Showman Park and the Oran Good Park Parking Lot. Acceptable recycling materials include: aluminum, clear glass, newspaper, Type 2 plastic, and two liter (Type 1) plastic soft drink bottles.

The Street Maintenance Division provides concrete and asphalt street maintenance, severe weather response, street sweeping, crack sealing, storm water drainage facility maintenance, sign replacement and repair, street striping, traffic button installation and replacement, barricade maintenance, sidewalk repairs, pavement repairs for utility cuts and water main replacement. This division also assists other divisions, such as Water & Sewer and Parks & Recreation and the Engineering Department with various projects.

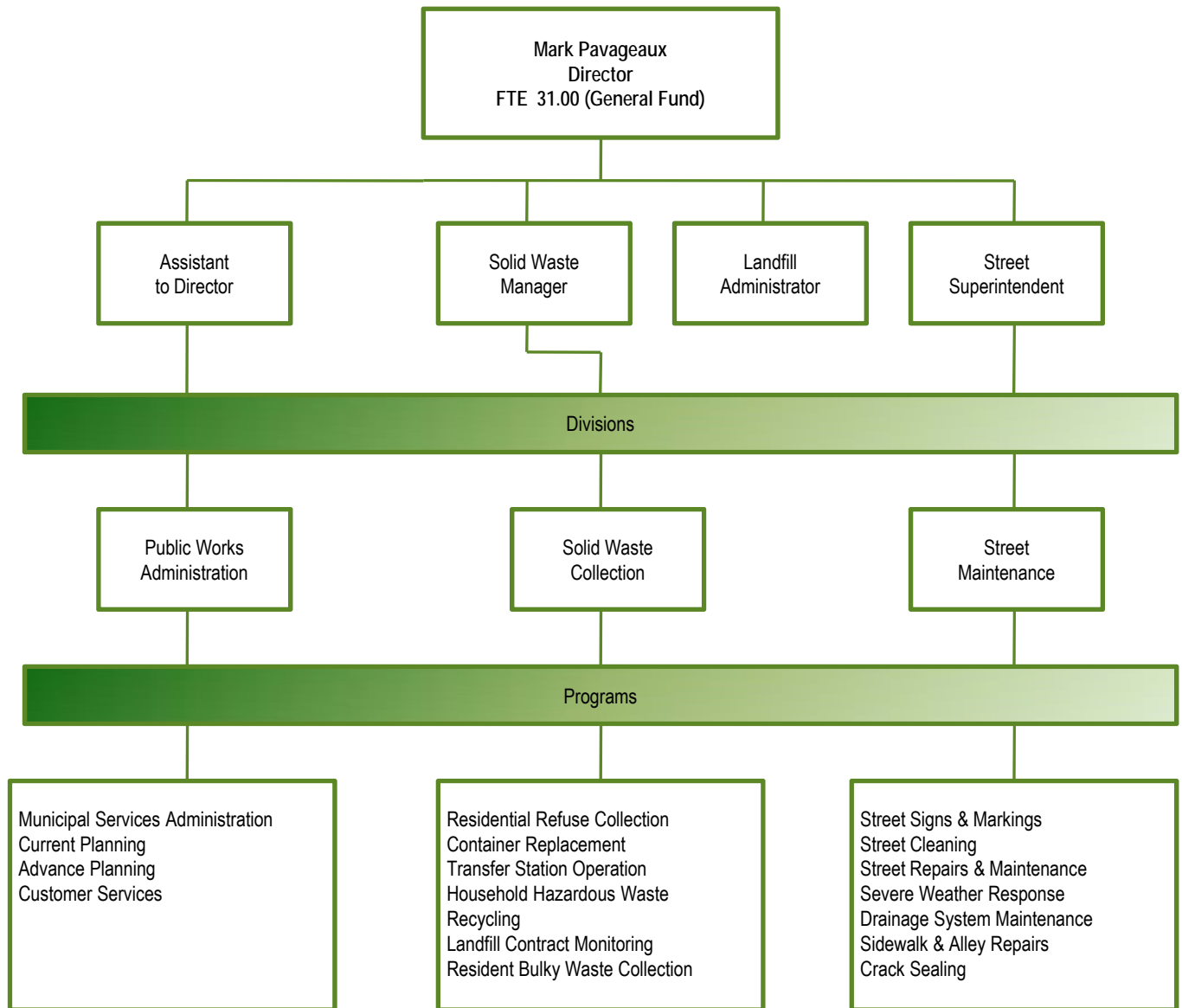
2008-09 GOALS & OBJECTIVES

1. Continue the transition plan for front curb pickup and fleet conversion for the Solid Waste Division. (Core Value 5)
2. Observe and evaluate landfill operations during the initial phase of the new landfill operations agreement. (Core Value 5)
3. Continue the solid waste public education campaign. (Core Value 5)
4. Analyze solid waste collection and recycling operations to ensure service levels are maintained while controlling costs. (Core Value 5)
5. Continue implementation of the Phase II Storm Water Management Program Plan. (Core Value 5)
6. Continue format changes on street name signs while incorporating the new logo on new and existing signs. (Core Value 4)
7. Evaluate administrative functions in the department to determine efficiencies and streamlining. (Core Value 7)
8. Assist the Parks Department in developing a Keep Farmers Branch Beautiful program. (Core Value 4)
9. Develop a funding strategy to achieve substantial completion of 18 lane miles of street resurfacing and 4,000 linear feet of sewer and water line rehabilitation. (Core Value 5)
10. Begin process for expansion of the landfill. (Core Value 5)

BUDGET HIGHLIGHTS

The Water & Sewer Operations Division utility cut contract has been reduced from \$110,000 to \$15,000 for materials. The Street Division will handle all utility cuts instead of a contractor for more efficiency. In order to do this, a transfer of \$72,000 to the General Fund is included in the budget to fund one and one-half of the Street Division paving and drainage technician positions.

Public Works



The Public Works Department also includes Water & Sewer Administration and Water & Sewer Operations, which are detailed in the Water & Sewer Fund section of this document.

PUBLIC WORKS SUMMARY	YEAR-END		YEAR-END		% CHANGE	
	AMENDED		ADOPTED	AMENDED	ADOPTED	FROM
	BUDGET	ACTUAL	BUDGET	BUDGET	BUDGET	AMENDED
	2006-07	2006-07	2007-08	2007-08	2008-09	BUDGET
<i>Personal Services/Benefits</i>	\$2,357,200	\$2,317,094	\$2,515,000	\$2,353,600	\$2,287,100	-2.83%
<i>Contract Labor</i>	69,600	67,319	70,600	70,600	79,100	12.04%
<i>Supplies</i>	232,300	225,112	230,500	275,200	289,700	5.27%
<i>Repairs & Maintenance</i>	1,652,700	1,593,645	1,661,000	1,559,200	1,630,700	4.59%
<i>Services</i>	157,100	134,741	146,200	106,000	115,500	8.96%
<i>Production & Disposal</i>	282,800	280,648	282,800	289,200	335,400	15.98%
<i>Transfers</i>	573,500	573,500	538,000	333,500	450,800	35.17%
Total Department Budget	<u>\$5,325,200</u>	<u>\$5,192,059</u>	<u>\$5,444,100</u>	<u>\$4,987,300</u>	<u>\$5,188,300</u>	<u>4.03%</u>

SUMMARY BUDGET CATEGORIES

YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09
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PUBLIC WORKS ADMINISTRATION

<i>Personal Services/Benefits</i>	\$376,900	\$375,650	\$396,100	\$416,200	\$409,000
<i>Supplies</i>	4,800	4,526	4,800	4,800	4,600
<i>Repairs & Maintenance</i>	1,200	707	1,200	1,200	900
<i>Services</i>	19,900	13,572	20,800	21,100	19,400
Total Budget	\$402,800	\$394,455	\$428,900	\$443,300	\$433,900

SOLID WASTE COLLECTION

<i>Personal Services/Benefits</i>	\$832,600	\$820,327	\$907,600	\$882,100	\$899,400
<i>Contract Labor</i>	69,600	67,319	70,600	70,600	79,100
<i>Supplies</i>	146,600	141,910	146,600	184,600	194,400
<i>Repairs & Maintenance</i>	303,200	333,342	307,800	358,800	369,800
<i>Services</i>	93,600	87,826	81,900	46,400	53,000
<i>Disposal</i>	282,800	280,648	282,800	289,200	335,400
<i>Transfers</i>	315,600	315,600	377,000	308,000	371,300
Total Budget	\$2,044,000	\$2,046,972	\$2,174,300	\$2,139,700	\$2,302,400

STREET MAINTENANCE

<i>Personal Services/Benefits</i>	\$1,147,700	\$1,121,117	\$1,211,300	\$1,055,300	\$978,700
<i>Supplies</i>	80,900	78,676	79,100	85,800	90,700
<i>Repairs & Maintenance</i>	1,348,300	1,259,596	1,352,000	1,199,200	1,260,000
<i>Services</i>	43,600	33,343	43,500	38,500	43,100
<i>Transfers</i>	257,900	257,900	155,000	25,500	79,500
Total Budget	\$2,878,400	\$2,750,632	\$2,840,900	\$2,404,300	\$2,452,000

POLICE

The mission of the Police Department is to assure each citizen the opportunity to enjoy life in peace and freedom from criminal acts. Through a commitment to work in partnership with citizens to provide courteous professional services the department will fairly and impartially carryout its mission with P.R.I.D.E. (Partnership, Respect, Innovation, Dedication, and Excellence).

Functions of the department are divided among four divisions: Administration, Patrol, Investigations, and Communications. The Administration Division is responsible for administration, leadership, direction, support, and coordination for all divisions. The Patrol Division is the largest division and is primarily responsible for providing a full range of police services to a small geographic area (beat) including identifying and solving problems that lead to crime and disorder, responding to calls for service, enforcing traffic laws and providing police presence in addition to detention services and K-9 services. The Investigations Division provides youth services and follow-up investigations of all reported criminal offenses within the city including filing criminal cases in the court of jurisdiction. The Communications Division is responsible for answering 9-1-1 calls and provides dispatch service for police, fire and emergency medical services (EMS) personnel.

2008-09 GOALS & OBJECTIVES

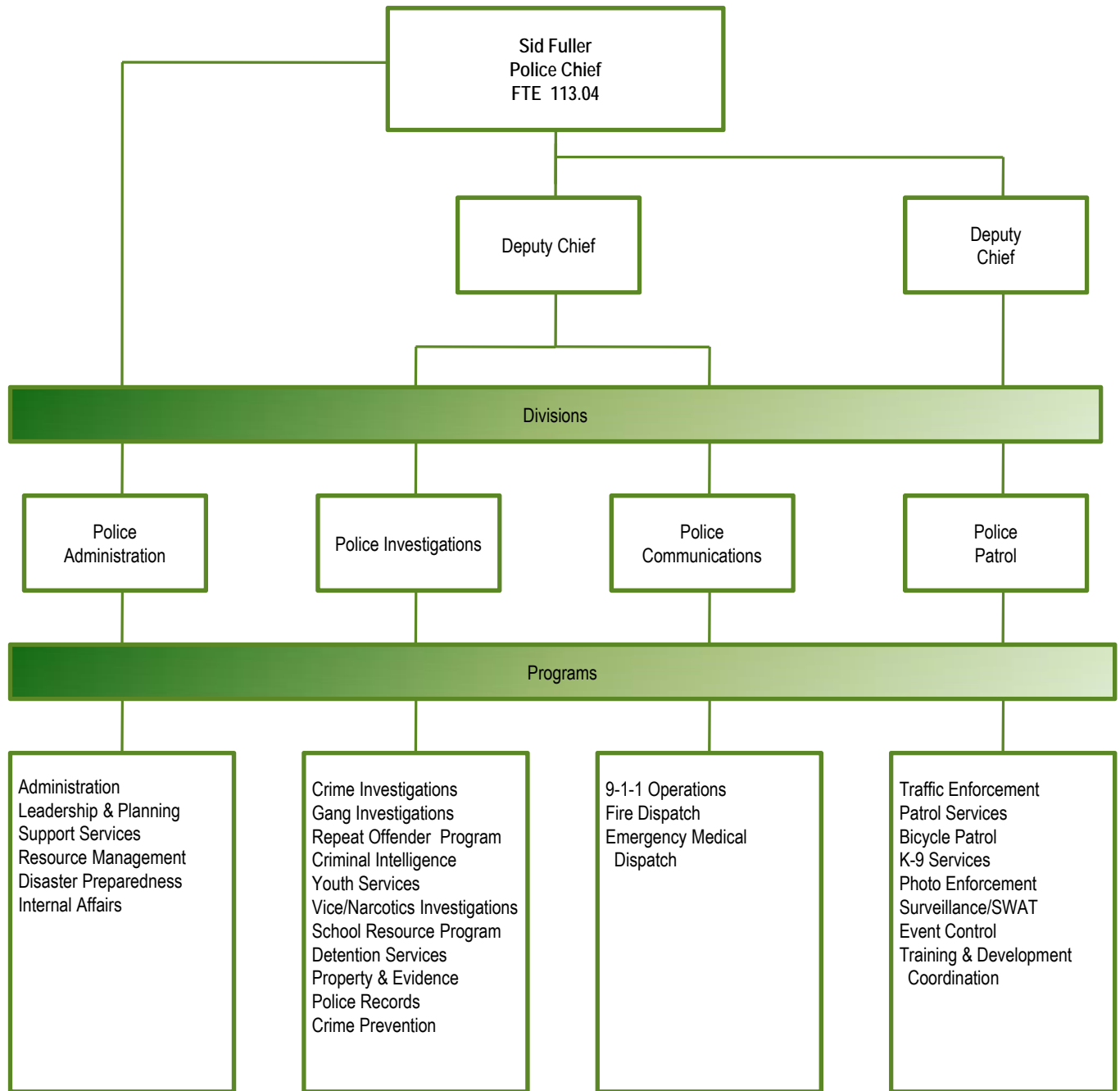
1. Secure more patrol/traffic enforcement hours for police by adding a beat through reorganization utilizing grant money to add increased enforcement and eliminating "time wasters" (e.g. false alarms, non police tasks, etc.). (*Core Value 1*)
2. Continue to support and encourage participation in the greatly expanded Community Watch Program by allowing communication opportunities for citizen input and police participation in community events. (*Core Value 8*)
3. Continue problem-oriented policing through further training for existing employees and introduce a new Police Training Officer (PTO) program to teach community policing and problem-solving skills to new recruits. (*Core Value 1*)
4. Continue monthly crime analysis meetings to effectively direct resources to problem areas and continue use of deployment teams as a tool in fighting crime "hot spots." (*Core Value 1*)
5. Continue to proactively recruit at colleges, job fairs and other venues with an emphasis on locating innovative, diverse, educated, service-oriented candidates. (*Core Value 6*)
6. Use available programs (ICE ACCESS, 287g, CAP, etc) to decrease the number of criminal illegal aliens in the community. (*Core Value 1*)
7. Continue to apply for alternative funding sources available through state, federal and local grants. (*Core Value 7*)
8. Continue succession-planning goals by offering specialized training for supervisors to prepare for management level positions. (*Core Value 6*)
9. Assist the Equipment Services Department in identifying more fuel-efficient vehicles and incorporating them into the police unmarked fleet during scheduled replacements. (*Core Value 7*)
10. Complete the Texas Police Chiefs Association recognition program. (*Core Value 1*)

11. Evaluate options for constructing and managing a firing range in association with the new Senlac Service Center. *(Core Value 1)*

BUDGET HIGHLIGHTS

Included funds for the replacement of five marked vehicles.

Police



POLICE SUMMARY	YEAR-END AMENDED		ADOPTED		YEAR-END AMENDED		% CHANGE FROM AMENDED BUDGET
	BUDGET	ACTUAL	BUDGET	BUDGET	BUDGET	BUDGET	
	2006-07	2006-07	2007-08	2007-08	2008-09	2008-09	
<i>Personal Services/Benefits</i>	\$8,222,700	\$8,155,269	\$8,765,400	\$8,677,500	\$9,379,100		8.09%
<i>Supplies</i>	295,700	269,069	321,500	346,500	385,300		11.20%
<i>Repairs & Maintenance</i>	584,500	593,323	589,100	603,600	558,100		-7.54%
<i>Services</i>	642,700	583,294	485,600	457,600	495,400		8.26%
<i>Transfers</i>	346,000	346,000	205,000	205,000	230,000		12.20%
Total Department Budget	<u>\$10,091,600</u>	<u>\$9,946,955</u>	<u>\$10,366,600</u>	<u>\$10,290,200</u>	<u>\$11,047,900</u>		7.36%

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09
POLICE ADMINISTRATION					
<i>Personal Services/Benefits</i>	\$240,600	\$237,991	\$275,500	\$280,000	\$292,200
<i>Supplies</i>	28,200	25,827	26,900	26,900	37,600
<i>Repairs & Maintenance</i>	34,700	28,018	36,300	40,300	37,100
<i>Services</i>	162,000	152,417	143,300	140,300	171,600
<i>Transfers</i>	0	0	0	0	10,000
Total Budget	<u>\$465,500</u>	<u>\$444,253</u>	<u>\$482,000</u>	<u>\$487,500</u>	<u>\$548,500</u>
POLICE INVESTIGATIONS					
<i>Personal Services/Benefits</i>	\$1,265,400	\$1,261,984	\$1,416,000	\$1,429,100	\$1,506,800
<i>Supplies</i>	22,800	30,281	34,000	44,100	48,400
<i>Repairs & Maintenance</i>	30,400	35,131	30,400	27,100	22,300
<i>Services</i>	24,300	17,950	24,300	21,300	21,500
Total Budget	<u>\$1,342,900</u>	<u>\$1,345,346</u>	<u>\$1,504,700</u>	<u>\$1,521,600</u>	<u>\$1,599,000</u>
POLICE PATROL					
<i>Personal Services/Benefits</i>	\$5,485,400	\$5,454,369	\$5,757,300	\$5,698,100	\$6,176,300
<i>Supplies</i>	239,800	208,119	255,700	270,600	294,400
<i>Repairs & Maintenance</i>	219,300	236,079	222,300	246,100	208,600
<i>Services</i>	181,500	213,956	46,500	46,500	52,700
<i>Transfers</i>	346,000	346,000	205,000	205,000	220,000
Total Budget	<u>\$6,472,000</u>	<u>\$6,458,523</u>	<u>\$6,486,800</u>	<u>\$6,466,300</u>	<u>\$6,952,000</u>
POLICE COMMUNICATIONS					
<i>Personal Services/Benefits</i>	\$1,231,300	\$1,200,925	\$1,316,600	\$1,270,300	\$1,403,800
<i>Supplies</i>	4,900	4,842	4,900	4,900	4,900
<i>Repairs & Maintenance</i>	300,100	294,095	300,100	290,100	290,100
<i>Services</i>	274,900	198,971	271,500	249,500	249,600
<i>Transfers</i>	0	0	0	0	0
Total Budget	<u>\$1,811,200</u>	<u>\$1,698,833</u>	<u>\$1,893,100</u>	<u>\$1,814,800</u>	<u>\$1,948,400</u>

FIRE

The Fire Department's primary function and responsibility to the citizens of Farmers Branch is to protect lives and property from fire and to provide emergency medical assistance. The department consists of three divisions: Administration/Training, Operations and Fire Prevention. The department is responsible for fire suppression, emergency medical services, rescue operations, emergency management, fire safety inspections, public fire prevention education programs, code enforcement, building and site plan review, fire investigations, and training of personnel.

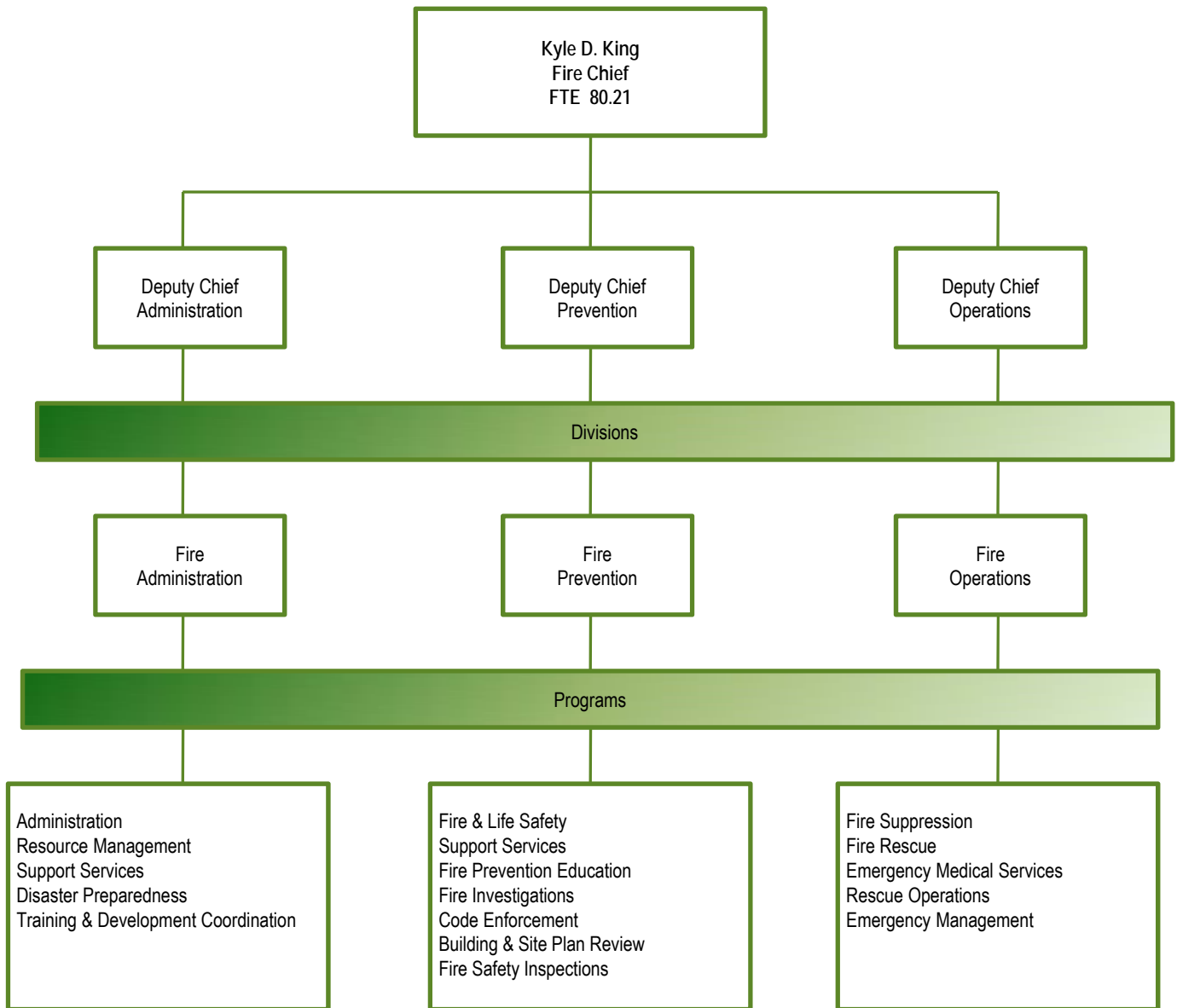
2008-09 GOALS & OBJECTIVES

1. Certify 10 firefighters as driver/operators through the Texas Commission on Fire Protection. *(Core Value 6)*
2. Identify site and purchase land for the relocation of Fire Station No. 1. *(Core Value 5)*
3. Complete Insurance Service Office review and receive Class 2 or better rating. *(Core Value 1)*
4. Deliver a Citizens Fire Academy to 14 residents. *(Core Value 8)*
5. Certify eight firefighters as emergency medical technician-paramedics to bring the total number of firefighters with paramedic certifications to 41. *(Core Value 6)*
6. Purchase a new 100-foot ladder truck. *(Core Value 5)*
7. Have all Fire Operations Division officers attend and complete the City's Branch-Out Supervisory and Management Training Program. *(Core Value 6)*
8. Increase fire inspections by two percent. *(Core Value 1)*
9. Arrive on scene for emergency fire and rescue calls under five minutes 50% of the time. *(Core Value 1)*
10. Arrive on scene for emergency ambulance calls under five minutes 60% of the time. *(Core Value 1)*

BUDGET HIGHLIGHTS

1. Included funds for the replacement of one staff vehicle.
2. Begin maintenance contract for thermal imaging cameras.
3. Continue the firefighter cardiovascular health and safety-screening program.
4. Add three new firefighters to the fire prevention educational program.
5. Update the emergency medical system electronic patient care reporting software.

Fire



FIRE SUMMARY	YEAR-END			YEAR-END		% CHANGE FROM AMENDED BUDGET
	AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	
<i>Personal Services/Benefits</i>	\$6,099,800	\$6,073,659	\$7,481,500	\$7,533,200	\$7,809,300	3.67%
<i>Supplies</i>	249,200	241,808	302,000	306,200	322,900	5.45%
<i>Repairs & Maintenance</i>	290,900	299,320	313,000	354,900	318,500	-10.26%
<i>Services</i>	156,300	155,650	189,100	236,300	214,500	-9.23%
<i>Transfers</i>	356,700	356,700	382,400	47,400	103,000	117.30%
Total Department Budget	<u>\$7,152,900</u>	<u>\$7,127,137</u>	<u>\$8,668,000</u>	<u>\$8,478,000</u>	<u>\$8,768,200</u>	<u>3.42%</u>

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09
FIRE ADMINISTRATION					
<i>Personal Services/Benefits</i>	\$600,400	\$599,382	\$695,700	\$722,300	\$748,000
<i>Supplies</i>	35,900	28,471	44,300	46,300	39,000
<i>Repairs & Maintenance</i>	43,200	37,938	78,300	78,300	71,800
<i>Services</i>	50,800	48,491	56,200	79,200	59,000
<i>Transfers</i>	0	0	0	0	28,000
Total Budget	<u><u>\$730,300</u></u>	<u><u>\$714,282</u></u>	<u><u>\$874,500</u></u>	<u><u>\$926,100</u></u>	<u><u>\$945,800</u></u>
FIRE PREVENTION					
<i>Personal Services/Benefits</i>	\$384,500	\$381,558	\$400,900	\$415,900	\$437,800
<i>Supplies</i>	17,800	17,650	25,300	21,300	20,400
<i>Services</i>	11,700	8,960	11,300	9,800	10,000
<i>Transfers</i>	48,500	48,500	0	0	0
Total Budget	<u><u>\$462,500</u></u>	<u><u>\$456,668</u></u>	<u><u>\$437,500</u></u>	<u><u>\$447,000</u></u>	<u><u>\$468,200</u></u>
FIRE OPERATIONS					
<i>Personal Services/Benefits</i>	\$5,114,900	\$5,092,719	\$6,384,900	\$6,395,000	\$6,623,500
<i>Supplies</i>	195,500	195,687	232,400	238,600	263,500
<i>Repairs & Maintenance</i>	247,700	261,382	234,700	276,600	246,700
<i>Services</i>	93,800	98,199	121,600	147,300	145,500
<i>Transfers</i>	308,200	308,200	382,400	47,400	75,000
Total Budget	<u><u>\$5,960,100</u></u>	<u><u>\$5,956,187</u></u>	<u><u>\$7,356,000</u></u>	<u><u>\$7,104,900</u></u>	<u><u>\$7,354,200</u></u>



**FARMERS
BRANCH**

PARKS & RECREATION

The Parks & Recreation Department consists of: Administration, Building Maintenance, Park Maintenance, Recreation, Swimming Pool, Senior Center, Park Board, Senior Advisory Board, Christmas, and Historical Preservation. (Note: The Historical Preservation Division is reported in the Hotel/Motel Fund and some goals overlap funds.)

The Parks & Recreation Department provides beautifully maintained natural environments, parks, rights of way and green space, and a wide variety of quality recreational and entertainment opportunities for all ages.

The Parks & Recreation Administration Division is responsible for planning and directing the long-range and day-to-day activities of the department. Under the Administration Division the Special Events Section is responsible for the planning and promotion of special events to promote family unity and community pride.

The Parks Maintenance Division is responsible for maintenance of parks, athletic fields, medians, and other City-owned or leased property. In addition, the division provides support and implementation of all City-sponsored special events and athletic tournaments.

The Recreation Division is responsible for implementing and maintaining year-round recreational and educational programs for all ages. Included with the day-to-day operation of the Recreation Center is the planning and implementation of a variety of family oriented activities. The Athletic Section is responsible for youth and adult athletic programs. As a liaison between the City and the athletic leagues, responsibilities include scheduling of the athletic facilities, securing tournaments that generate hotel room rentals, publicity for specific events, and working with the Economic Development & Tourism Office to coordinate needs for athletic tournaments.

The Swimming Pool Division is responsible for the safety of participants, water quality, overall pool maintenance, and water-related instruction.

The Senior Center Division facilitates use of the Senior Center. Programming for the Senior Center is designed to meet the needs of the senior population through activities for their social, mental, and physical well-being.

The Building Maintenance Division is responsible for the maintenance of City facilities. This division performs tasks from all facets of the building trade and supervises contractors working on City facilities.

2008-09 GOALS & OBJECTIVES

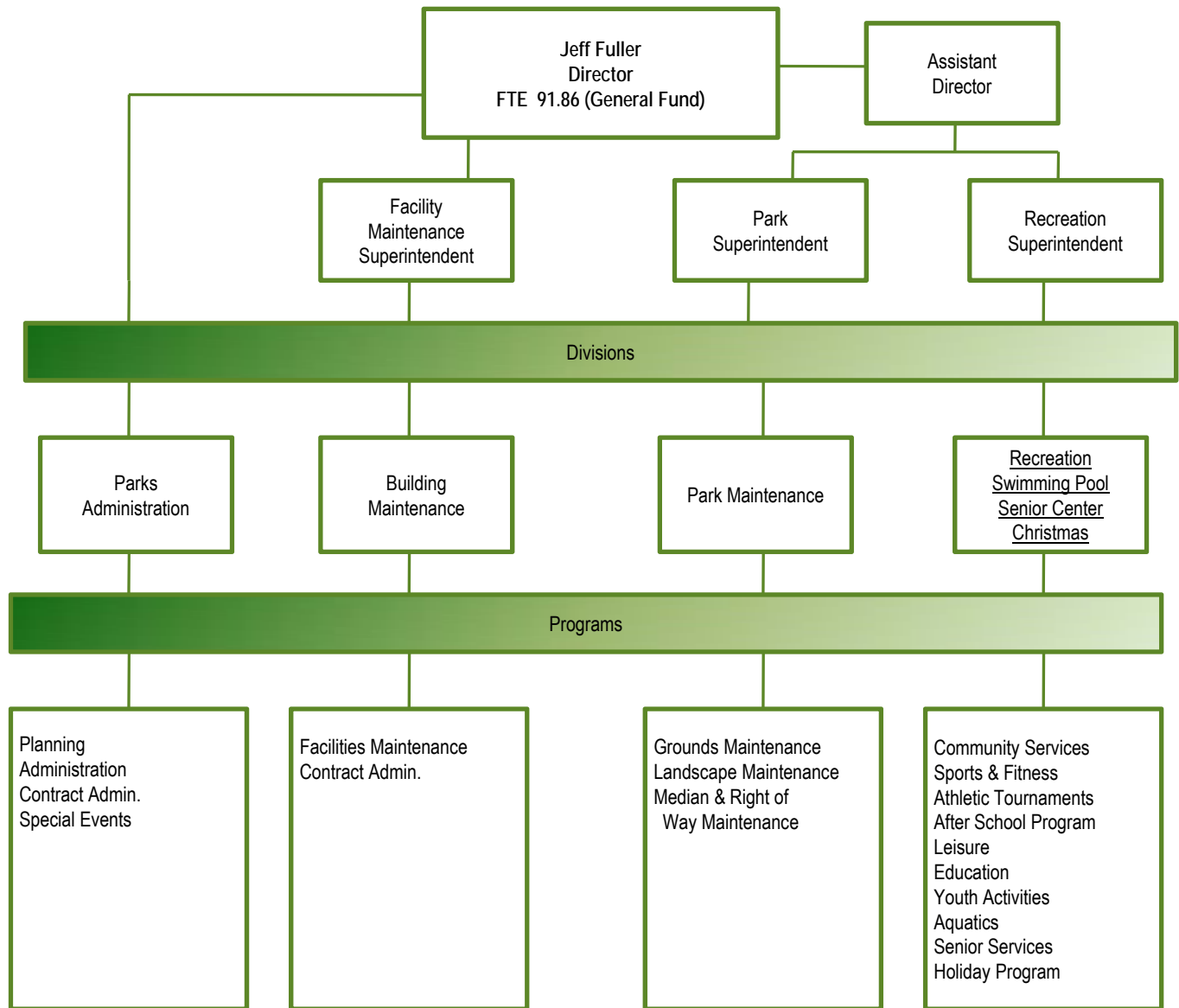
1. Complete the rose garden in the Historical Park. *(Core Value 4)*
2. Complete trail master plan. *(Core Value 4)*
3. Continue a community rose program. *(Core Value 4)*
4. Develop a program to expand the number of trees planted in the city. *(Core Value 4)*
5. Develop a plan for a signature annual event to attract people into Farmers Branch. *(Core Value 4)*
6. Expand the holiday lighting program along I-635. *(Core Value 4)*
7. Upgrade Mallon Park landscape. *(Core Value 4)*
8. Increase computer program participation with new promotion techniques and new curriculum at the Senior Center. *(Core Value 4)*
9. Assist the Public Works Department in developing a Keep Farmers Branch Beautiful program. *(Core Value 4)*

10. Replace the HVAC unit and roof at the McKee Addition of the Historical Park. *(Core Value 5)*
11. Create a Skate Park at the Barney Wood athletic complex. *(Core Value 5)*

BUDGET HIGHLIGHTS

1. Included funds to replace HVAC units at the Historical Park.
2. Eliminated four part-time laborer positions and increased funding for contract labor in the Parks Maintenance Division.

Parks & Recreation



The Parks & Recreation Department also includes the Historical Preservation Division, which is detailed in the Hotel/Motel Fund section of this document.

PARKS & RECREATION SUMMARY	YEAR-END		ADOPTED	YEAR-END		% CHANGE FROM AMENDED
	AMENDED	ACTUAL		AMENDED	ADOPTED	
	BUDGET			BUDGET	BUDGET	
	2006-07	2006-07	2007-08	2007-08	2008-09	AMENDED BUDGET
<i>Personal Services/Benefits</i>	\$4,653,200	\$4,508,948	\$4,859,800	\$4,871,900	\$5,017,800	2.99%
<i>Purchased Prof & Tech Services</i>	10,400	10,078	10,400	10,400	36,100	247.12%
<i>Supplies</i>	632,000	599,993	632,300	644,200	660,000	2.45%
<i>Repairs & Maintenance</i>	867,900	867,936	825,300	820,300	810,100	-1.24%
<i>Services</i>	1,549,900	1,352,668	1,557,000	1,570,300	1,751,100	11.51%
<i>Christmas Activities</i>	121,300	86,239	118,200	118,200	118,200	0.00%
<i>Transfers</i>	372,200	372,200	355,000	212,500	376,900	77.36%
Total Department Budget	\$8,206,900	\$7,798,062	\$8,358,000	\$8,247,800	\$8,770,200	6.33%

SUMMARY BUDGET CATEGORIES

YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09
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PARKS & RECREATION ADMIN.

<i>Personal Services/Benefits</i>	\$470,900	\$457,570	\$495,500	\$488,200	\$504,800
<i>Supplies</i>	15,200	14,527	15,300	15,800	15,700
<i>Repairs & Maintenance</i>	3,600	2,805	3,600	3,700	3,600
<i>Services</i>	41,600	38,939	41,600	41,600	41,600
<i>Transfers</i>	0	0	8,500	8,500	0
Total Budget	\$531,300	\$513,841	\$564,500	\$557,800	\$565,700

BUILDING MAINTENANCE

<i>Personal Services/Benefits</i>	\$388,800	\$380,791	\$410,800	\$416,900	\$431,600
<i>Supplies</i>	8,000	6,389	9,000	9,000	9,000
<i>Repairs & Maintenance</i>	65,400	58,405	65,400	61,200	63,200
<i>Services</i>	572,100	559,876	572,100	576,900	646,100
<i>Transfers</i>	37,000	37,000	0	0	10,000
Total Budget	\$1,071,300	\$1,042,461	\$1,057,300	\$1,064,000	\$1,159,900

PARK MAINTENANCE

<i>Personal Services/Benefits</i>	\$2,267,300	\$2,201,736	\$2,378,300	\$2,370,900	\$2,405,000
<i>Purchased Prof & Tech Services</i>	10,400	10,078	10,400	10,400	36,100
<i>Supplies</i>	312,000	304,825	319,000	331,100	348,300
<i>Repairs & Maintenance</i>	687,500	711,182	637,500	642,900	631,000
<i>Services</i>	450,100	324,765	459,100	461,600	524,500
<i>Transfers</i>	222,700	222,700	346,500	204,000	366,900
Total Budget	\$3,950,000	\$3,775,286	\$4,150,800	\$4,020,900	\$4,311,800

RECREATION

<i>Personal Services/Benefits</i>	\$1,078,800	\$1,033,988	\$1,114,500	\$1,125,100	\$1,189,200
<i>Supplies</i>	202,000	184,312	198,200	195,700	194,600
<i>Repairs & Maintenance</i>	52,300	47,206	52,300	48,400	48,800
<i>Services</i>	306,100	278,189	308,000	311,000	339,900
<i>Transfers</i>	26,500	26,500	0	0	0
Total Budget	\$1,665,700	\$1,570,195	\$1,673,000	\$1,680,200	\$1,772,500

SWIMMING POOL

<i>Personal Services/Benefits</i>	\$111,000	\$105,468	\$114,400	\$117,600	\$121,600
<i>Supplies</i>	31,700	30,588	21,800	21,800	21,800
<i>Repairs & Maintenance</i>	25,600	23,213	33,000	33,500	33,000
<i>Services</i>	42,800	41,503	39,000	42,000	47,200
<i>Transfers</i>	0	0	0	0	0
Total Budget	\$211,100	\$200,772	\$208,200	\$214,900	\$223,600

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09
SENIOR CENTER					
<i>Personal Services/Benefits</i>	\$316,400	\$309,504	\$325,400	\$328,300	\$339,900
<i>Supplies</i>	63,100	59,352	69,000	70,800	70,600
<i>Repairs & Maintenance</i>	33,500	25,125	33,500	30,600	30,500
<i>Services</i>	106,700	91,984	106,700	106,700	119,100
<i>Transfers</i>	86,000	86,000	0	0	0
Total Budget	<u>\$605,700</u>	<u>\$571,965</u>	<u>\$534,600</u>	<u>\$536,400</u>	<u>\$560,100</u>
PARK BOARD					
<i>Services</i>	<u>\$10,600</u>	<u>\$8,547</u>	<u>\$10,600</u>	<u>\$10,600</u>	<u>\$10,600</u>
Total Budget	<u>\$10,600</u>	<u>\$8,547</u>	<u>\$10,600</u>	<u>\$10,600</u>	<u>\$10,600</u>
SENIOR ADVISORY BOARD					
<i>Services</i>	<u>\$9,400</u>	<u>\$4,202</u>	<u>\$9,400</u>	<u>\$9,400</u>	<u>\$8,400</u>
Total Budget	<u>\$9,400</u>	<u>\$4,202</u>	<u>\$9,400</u>	<u>\$9,400</u>	<u>\$8,400</u>
CHRISTMAS					
<i>Personal Services/Benefits</i>	\$20,000	\$19,891	\$20,900	\$24,900	\$25,700
<i>Services</i>	10,500	4,663	10,500	10,500	13,700
<i>Christmas</i>	121,300	86,239	118,200	118,200	118,200
Total Budget	<u>\$151,800</u>	<u>\$110,793</u>	<u>\$149,600</u>	<u>\$153,600</u>	<u>\$157,600</u>



**FARMERS
BRANCH**

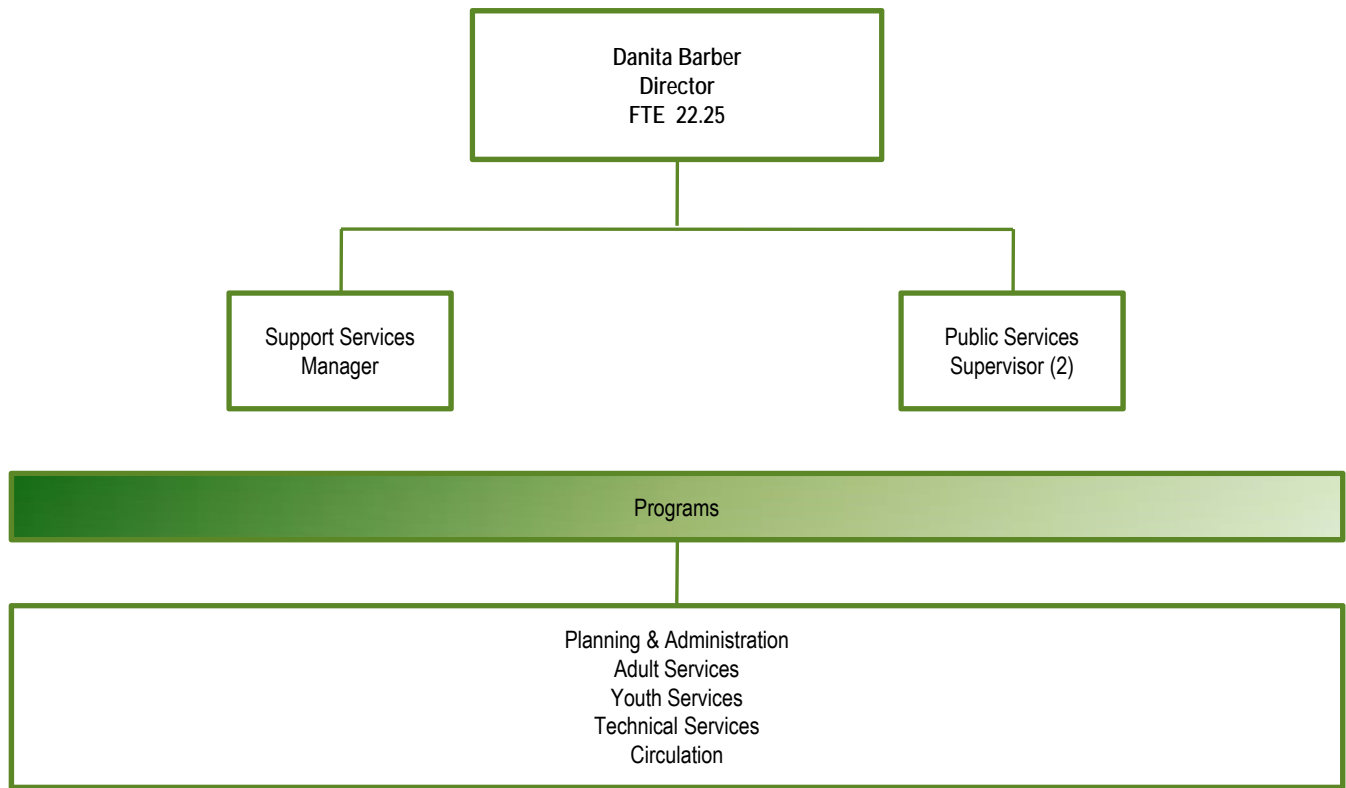
LIBRARY

The responsibility of the Library Department is to select, organize, and provide information in all formats for all residents of the City; to encourage the use of these materials by the residents for their informational, educational, and recreational needs; to serve as the City's cultural center; to promote literacy; and, to provide maximum use of the facility and its services.

2008-09 GOALS & OBJECTIVES

1. Complete installation of acoustical materials to alleviate the amount of noise that travels throughout the building. *(Core Value 5)*
2. Provide delivery of library materials to homebound Farmers Branch residents. *(Core Value 4)*
3. Update the juvenile non-fiction collection in the areas of science, space and government. *(Core Value 4)*
4. Expand services to beginning readers and their parents in the online environment by creating a Web page that includes tips for beginning readers and resources for their parents. *(Core Value 4)*
5. Update the adult non-fiction collection in the areas of biography and travel. *(Core Value 4)*

Library



LIBRARY SUMMARY	YEAR-END AMENDED		ADOPTED BUDGET 2007-08	YEAR-END AMENDED		% CHANGE FROM AMENDED BUDGET
	BUDGET 2006-07	ACTUAL 2006-07		BUDGET 2007-08	ADOPTED BUDGET 2008-09	
<i>Personal Services/Benefits</i>	\$1,289,500	\$1,278,881	\$1,349,600	\$1,338,900	\$1,311,200	-2.07%
<i>Purchased Prof & Tech Services</i>	0	0	0	0	14,000	N/A
<i>Supplies</i>	153,000	150,800	109,400	135,400	106,400	-21.42%
<i>Repairs & Maintenance</i>	38,800	37,076	35,200	54,800	30,900	-43.61%
<i>Services</i>	158,500	155,117	155,700	166,700	168,900	1.32%
<i>Transfers</i>	200,600	200,600	260,200	219,600	265,800	21.04%
Total Department Budget	<u>\$1,840,400</u>	<u>\$1,822,474</u>	<u>\$1,910,100</u>	<u>\$1,915,400</u>	<u>\$1,897,200</u>	<u>-0.95%</u>

WATER & SEWER FUND REVENUE SUMMARY

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	PERCENT OF BUDGET
<u>INTEREST</u>					
INTEREST	\$160,772	\$220,000	\$220,000	\$160,000	1.08%
SUB-TOTAL	<u>\$160,772</u>	<u>\$220,000</u>	<u>\$220,000</u>	<u>\$160,000</u>	<u>1.08%</u>
<u>MISCELLANEOUS</u>					
RECONNECTS/SERVICE CHARGE	\$25,735	\$28,000	\$28,000	\$28,000	0.19%
LATE FEES	83,194	60,000	60,000	60,000	0.40%
MISCELLANEOUS	1,911	2,800	2,800	2,800	0.02%
SUB-TOTAL	<u>\$110,840</u>	<u>\$90,800</u>	<u>\$90,800</u>	<u>\$90,800</u>	<u>0.61%</u>
<u>WATER/SEWER SALES</u>					
WATER SALES	\$8,488,907	\$9,461,200	\$9,461,200	\$10,622,500	71.55%
SEWER SERVICE	3,622,763	3,490,400	3,490,400	3,928,200	26.46%
ADDISON SEWER	18,618	18,000	18,000	18,000	0.12%
TAPPING FEES	3,650	2,000	2,000	2,000	0.01%
BACKFLOW PROGRAM	29,410	25,000	25,000	25,000	0.17%
SUB-TOTAL	<u>\$12,163,348</u>	<u>\$12,996,600</u>	<u>\$12,996,600</u>	<u>\$14,595,700</u>	<u>98.31%</u>
GRAND TOTAL	<u><u>\$12,434,960</u></u>	<u><u>\$13,307,400</u></u>	<u><u>\$13,307,400</u></u>	<u><u>\$14,846,500</u></u>	<u><u>100.00%</u></u>

WATER & SEWER FUND EXPENDITURE SUMMARY

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	PERCENT OF BUDGET
<u>WATER & SEWER</u>					
ADMINISTRATION	\$2,384,792	\$2,734,000	\$2,603,800	\$2,827,400	19.47%
OPERATIONS	10,608,421	11,427,000	11,106,900	11,691,300	80.53%
SUB-TOTAL	<u>\$12,993,213</u>	<u>\$14,161,000</u>	<u>\$13,710,700</u>	<u>\$14,518,700</u>	<u>100.00%</u>
 TOTAL OPERATING	 <u>\$12,993,213</u>	 <u>\$14,161,000</u>	 <u>\$13,710,700</u>	 <u>\$14,518,700</u>	 <u>100.00%</u>
 <u>SPECIAL EXPENDITURES</u>					
TRANSFER TO CIP	<u>\$1,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.00%</u>
SUB-TOTAL	<u>\$1,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.00%</u>
 GRAND TOTAL	 <u>\$13,993,213</u>	 <u>\$14,161,000</u>	 <u>\$13,710,700</u>	 <u>\$14,518,700</u>	 <u>100.00%</u>

PUBLIC WORKS

The Public Works Department is comprised of five divisions: Administration, Solid Waste Collection, Street Maintenance, Water & Sewer Administration, and Water & Sewer Operations. (Note: The Administration, Solid Waste Collection and Street Maintenance Divisions are reported in the General Fund.)

The Water & Sewer Administration Division provides the planning, direction and control of the daily utility operations.

The Water & Sewer Operations Division provides 24 hour 7 day a week water and sewer service, main repairs, valve operation, service line maintenance, plant operation, repairs and improvements to the water and sewer system. The division also provides for fire hydrant maintenance and water meter reading.

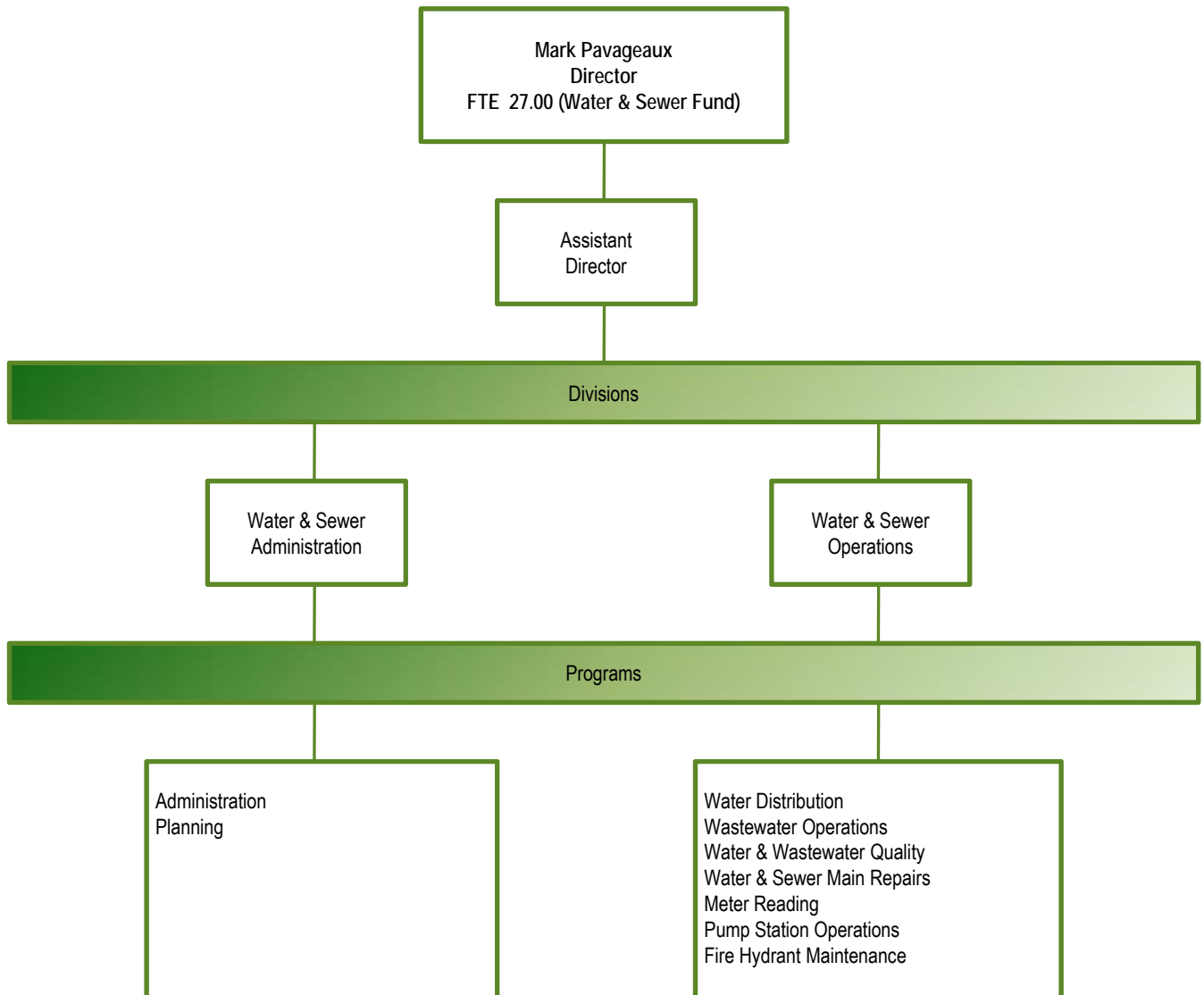
2008-09 GOALS & OBJECTIVES

1. Continue the three-year directional flushing plan of the water lines to maintain quality and determine any deficiencies in the system. *(Core Value 5)*
2. Continue televising sewer lines for inflow and infiltration issues. *(Core Value 5)*
3. Work with an engineering firm to determine a plan of action for implementation of efficiencies in the water distribution system. *(Core Value 5)*
4. Evaluate administrative functions in the department to determine efficiencies and streamlining. *(Core Value 7)*
5. Assist the Parks Department in developing a Keep Farmers Branch Beautiful program. *(Core Value 4)*

BUDGET HIGHLIGHTS

The Water & Sewer Operations Division utility cut contract has been reduced from \$110,000 to \$15,000 for materials. The Street Division will handle all utility cuts instead of a contractor for more efficiency. In order to do this, a transfer of \$72,000 to the General Fund is included in the budget to fund one and one-half of the Street Division paving and drainage technician positions.

Public Works



The Public Works Department also includes Public Works Administration, Solid Waste Collection and Street Maintenance operations, which are detailed in the General Fund section of this document.

WATER & SEWER SUMMARY	YEAR-END AMENDED		ADOPTED BUDGET 2007-08	YEAR-END AMENDED		% CHANGE FROM AMENDED BUDGET
	BUDGET	ACTUAL		BUDGET	BUDGET	
	2006-07	2006-07		2007-08	2008-09	
<i>Personal Services/Benefits</i>	\$1,726,800	\$1,636,417	\$1,986,500	\$1,832,000	\$1,852,100	1.10%
<i>Supplies</i>	164,000	143,177	272,500	279,800	268,800	-3.93%
<i>Repairs & Maintenance</i>	515,100	461,877	533,000	505,900	427,500	-15.50%
<i>Services</i>	408,500	324,887	426,600	396,600	528,900	33.36%
<i>Production & Disposal</i>	6,239,700	6,501,332	6,625,700	6,369,700	7,143,600	12.15%
<i>Other Objects</i>	107,800	48,823	40,000	50,000	50,000	0.00%
<i>Transfers</i>	3,876,700	3,876,700	4,276,700	4,276,700	4,247,800	-0.68%
Total Department Budget	\$13,038,600	\$12,993,213	\$14,161,000	\$13,710,700	\$14,518,700	5.89%

SUMMARY BUDGET CATEGORIES

YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09
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WATER & SEWER ADMIN.

<i>Personal Services/Benefits</i>	\$500	\$364	\$130,400	\$200	\$65,200
<i>Supplies</i>	66,000	60,696	69,400	69,400	70,000
<i>Repairs & Maintenance</i>	2,200	4,013	4,600	4,600	2,500
<i>Services</i>	12,900	9,782	24,600	24,600	23,700
<i>Production & Disposal</i>	20,500	17,937	14,800	14,800	15,700
<i>Transfers</i>	2,292,000	2,292,000	2,490,200	2,490,200	2,650,300
Total Budget	\$2,394,100	\$2,384,792	\$2,734,000	\$2,603,800	\$2,827,400

WATER & SEWER OPERATIONS

<i>Personal Services/Benefits</i>	\$1,726,300	\$1,636,053	\$1,856,100	\$1,831,800	\$1,786,900
<i>Supplies</i>	98,000	82,481	203,100	210,400	198,800
<i>Repairs & Maintenance</i>	512,900	457,864	528,400	501,300	425,000
<i>Services</i>	395,600	315,105	402,000	372,000	505,200
<i>Production & Disposal</i>	6,219,200	6,483,395	6,610,900	6,354,900	7,127,900
<i>Other Objects</i>	107,800	48,823	40,000	50,000	50,000
<i>Transfers</i>	1,584,700	1,584,700	1,786,500	1,786,500	1,597,500
Total Budget	\$10,644,500	\$10,608,421	\$11,427,000	\$11,106,900	\$11,691,300



**FARMERS
BRANCH**

INTERNAL SERVICE FUND REVENUE SUMMARY

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	PERCENT OF BUDGET
<u>INTERNAL SERVICE</u>					
EQUIPMENT SERVICES	\$1,850,404	\$1,463,900	\$1,381,200	\$1,410,100	75.40%
SUB-TOTAL	<u>\$1,850,404</u>	<u>\$1,463,900</u>	<u>\$1,381,200</u>	<u>\$1,410,100</u>	<u>75.40%</u>
<u>WORKERS' COMPENSATION</u>					
WORKERS' COMPENSATION	\$533,821	\$560,000	\$360,000	\$460,000	24.60%
SUB-TOTAL	<u>\$533,821</u>	<u>\$560,000</u>	<u>\$360,000</u>	<u>\$460,000</u>	<u>24.60%</u>
GRAND TOTAL	<u><u>\$2,384,225</u></u>	<u><u>\$2,023,900</u></u>	<u><u>\$1,741,200</u></u>	<u><u>\$1,870,100</u></u>	<u><u>100.00%</u></u>

INTERNAL SERVICE FUND EXPENDITURE SUMMARY

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	PERCENT OF BUDGET
<u>EQUIPMENT SERVICES</u>					
FLEET MAINTENANCE	\$1,234,973	\$1,318,200	\$1,230,600	\$938,900	67.12%
SUB-TOTAL	<u>\$1,234,973</u>	<u>\$1,318,200</u>	<u>\$1,230,600</u>	<u>\$938,900</u>	<u>67.12%</u>
<u>WORKERS' COMPENSATION</u>					
WORKERS' COMPENSATION	\$167,082	\$560,000	\$360,000	\$460,000	32.88%
SUB-TOTAL	<u>\$167,082</u>	<u>\$560,000</u>	<u>\$360,000</u>	<u>\$460,000</u>	<u>32.88%</u>
GRAND TOTAL	<u><u>\$1,402,055</u></u>	<u><u>\$1,878,200</u></u>	<u><u>\$1,590,600</u></u>	<u><u>\$1,398,900</u></u>	<u><u>100.00%</u></u>

EQUIPMENT SERVICES

The Equipment Services Department is a customer service oriented Internal Service Fund responsible for the maintenance, repair, fueling and replacement of the City's fleet. The department operates in a business-oriented fashion by charging its customers hourly rates and markups to recoup our budget. The department provides service to its customers, while striving towards the lowest possible fleet cost by designing and implementing a comprehensive fleet management program. In addition, the department is responsible for the Senlac Service Center complex and the operation of the City warehouse, which purchases and stocks materials for all departments.

The department's mission statement is "We will work together to provide a well-maintained, safe, dependable and cost-effective fleet for the City by being service-oriented and having pride in our work."

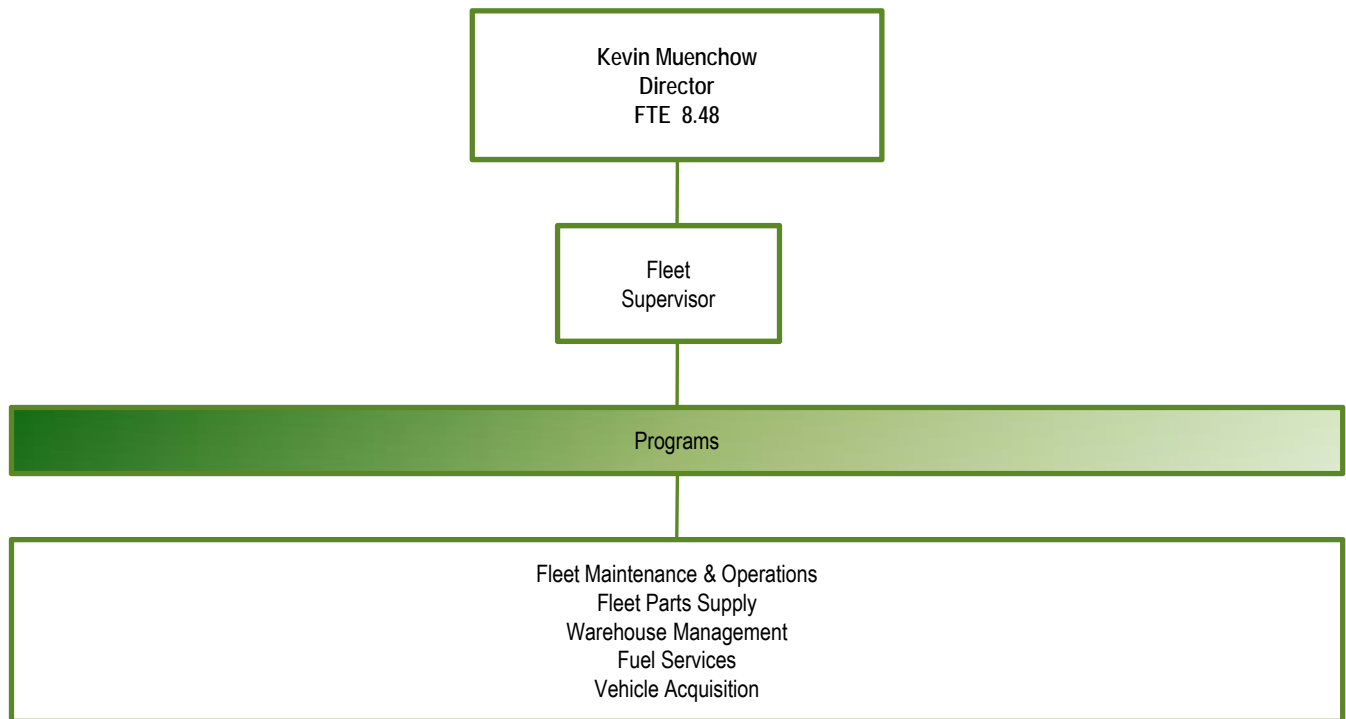
2008-09 GOALS & OBJECTIVES

1. Continue to develop a plan for the construction of the new Senlac Service Center. *(Core Value 5)*
2. Develop a comprehensive fleet management program to minimize costs and maximize utilization (maintenance, repair, replacement, risk, operator training, etc). *(Core Value 5)*
3. Create and implement a comprehensive fleet sharing plan and an economy vehicle replacement plan based on life-cycle costing. *(Core Value 5)*
4. Develop a cost-benefit analysis of the contracted Napa parts and warehouse operations to present to the City Manager and City Council. *(Core Value 5)*
5. Research and analyze the use of electric and hybrid vehicles in the fleet. *(Core Value 5)*
6. Develop a long-term plan to reduce fleet fuel consumption through various technologies and programs. *(Core Value 5)*

BUDGET HIGHLIGHTS

1. Included funds for the purchase of a diesel exhaust system for the heavy equipment shop for employee health and safety.
2. Enhanced the technician training budget for a comprehensive training program to cover the diversity of vehicles and equipment.

Equipment Services



EQUIPMENT SERVICES SUMMARY	YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	% CHANGE FROM AMENDED BUDGET
<i>Personal Services/Benefits</i>	\$881,100	\$808,515	\$813,200	\$695,100	\$610,000	-12.24%
<i>Supplies</i>	49,500	44,534	39,400	39,500	38,500	-2.53%
<i>Repairs & Maintenance</i>	49,200	36,118	56,900	59,900	51,200	-14.52%
<i>Services</i>	184,700	179,506	178,700	206,100	230,700	11.94%
<i>Transfers</i>	166,300	166,300	230,000	230,000	8,500	-96.30%
Total Department Budget	<u>\$1,330,800</u>	<u>\$1,234,973</u>	<u>\$1,318,200</u>	<u>\$1,230,600</u>	<u>\$938,900</u>	<u>-23.70%</u>

WORKERS' COMPENSATION

The Workers' Compensation Fund is used to account for the City's workers' compensation self insurance plan.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established a Workers' Compensation Fund (an Internal Service Fund) to account for workers' compensation uninsured risks of loss. Under this program, the Workers' Compensation Fund provides coverage for up to a maximum of \$350,000 for each workers' compensation occurrence claim. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The costs associated with this self-insurance plan are reported as interfund transactions. Accordingly, they are treated as operating revenues of the Workers' Compensation Fund and operating expenditures (expenses) of the other funds. Claims payable include provisions for claims reported and claims incurred, but not yet reported. The provision for reported claims is computed by the City's third party administrator based upon standard actuarial principles. The provision for claims incurred, but not yet reported is estimated based on the City's experience and an actuarial study that was performed during fiscal year 2007. State law provides that the City is relieved of liability if a notice of employee injury is not received within 30 days of the date on which the injury occurs.

WORKERS' COMPENSATION SUMMARY	YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	% CHANGE FROM AMENDED BUDGET
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Internal Service

<i>Current Year Claims</i>	\$429,000	\$78,167	\$429,000	\$275,800	\$354,200	28.43%
<i>Catastrophic Reinsurance</i>	131,000	88,915	131,000	84,200	105,800	25.65%
Total Internal Service	<u>\$560,000</u>	<u>\$167,082</u>	<u>\$560,000</u>	<u>\$360,000</u>	<u>\$460,000</u>	<u>27.78%</u>

HOTEL/MOTEL FUND REVENUE SUMMARY

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	PERCENT OF BUDGET
<u>OTHER TAXES</u>					
HOTEL/MOTEL TAX	\$2,487,792	\$2,300,000	\$2,300,000	\$2,300,000	92.96%
SUB-TOTAL	<u>\$2,487,792</u>	<u>\$2,300,000</u>	<u>\$2,300,000</u>	<u>\$2,300,000</u>	<u>92.96%</u>
<u>INTEREST</u>					
INTEREST	\$114,008	\$120,000	\$120,000	\$120,000	4.85%
RENTS	9,504	6,500	6,500	30,000	1.21%
SUB-TOTAL	<u>\$123,512</u>	<u>\$126,500</u>	<u>\$126,500</u>	<u>\$150,000</u>	<u>6.06%</u>
<u>SPECIAL REVENUES</u>					
MISCELLANEOUS	\$21,214	\$24,300	\$24,300	\$24,300	0.98%
SUB-TOTAL	<u>\$21,214</u>	<u>\$24,300</u>	<u>\$24,300</u>	<u>\$24,300</u>	<u>0.98%</u>
GRAND TOTAL	<u><u>\$2,632,518</u></u>	<u><u>\$2,450,800</u></u>	<u><u>\$2,450,800</u></u>	<u><u>\$2,474,300</u></u>	<u><u>100.00%</u></u>

HOTEL/MOTEL FUND EXPENDITURE SUMMARY

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	PERCENT OF BUDGET
<u>HISTORICAL PRESERVATION/SPECIAL EVENTS</u>					
PARK & SPECIAL EVENTS	\$634,436	\$778,100	\$789,700	\$1,001,600	35.39%
HISTORICAL BOARD	9,927	10,300	10,300	10,300	0.36%
SUB-TOTAL	<u>\$644,363</u>	<u>\$788,400</u>	<u>\$800,000</u>	<u>\$1,011,900</u>	<u>35.75%</u>
<u>PROMOTION OF TOURISM</u>					
STAFF SUPPORT OF TOURISM	<u>\$391,252</u>	<u>\$434,900</u>	<u>\$506,400</u>	<u>\$537,200</u>	<u>18.98%</u>
SUB-TOTAL	<u>\$391,252</u>	<u>\$434,900</u>	<u>\$506,400</u>	<u>\$537,200</u>	<u>18.98%</u>
MARKETING	<u>\$611,067</u>	<u>\$702,300</u>	<u>\$725,000</u>	<u>\$760,400</u>	<u>26.87%</u>
SUB-TOTAL	<u>\$611,067</u>	<u>\$702,300</u>	<u>\$725,000</u>	<u>\$760,400</u>	<u>26.87%</u>
TOTAL	<u>\$1,002,319</u>	<u>\$1,137,200</u>	<u>\$1,231,400</u>	<u>\$1,297,600</u>	<u>45.85%</u>
<u>CONVENTION CENTER</u>					
CONVENTION	<u>\$493,330</u>	<u>\$526,800</u>	<u>\$516,800</u>	<u>\$520,800</u>	<u>18.40%</u>
SUB-TOTAL	<u>\$493,330</u>	<u>\$526,800</u>	<u>\$516,800</u>	<u>\$520,800</u>	<u>18.40%</u>
TOTAL OPERATING	<u>\$2,140,012</u>	<u>\$2,452,400</u>	<u>\$2,548,200</u>	<u>\$2,830,300</u>	<u>100.00%</u>
<u>SPECIAL EXPENDITURES</u>					
TRANSFER TO DEBT SERVICE	<u>\$926,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.00%</u>
SUB-TOTAL	<u>\$926,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.00%</u>
GRAND TOTAL	<u>\$3,066,212</u>	<u>\$2,452,400</u>	<u>\$2,548,200</u>	<u>\$2,830,300</u>	<u>100.00%</u>

PARKS & RECREATION

The Parks & Recreation Department consists of: Administration, Building Maintenance, Park Maintenance, Recreation, Swimming Pool, Senior Center, Park Board, Senior Advisory Board, Christmas, and Historical Preservation. (Note: With the exception of the Historical Preservation Division, all Parks & Recreation Divisions are reported in the General Fund and some goals overlap funds.)

The Parks and Recreation Department provides beautifully maintained natural environments, parks, rights of way and green space, and a wide variety of quality recreational and entertainment opportunities for all ages.

The Historical Preservation Division is responsible for operating the Historical Park site, which is open for general public use seven days a week. The division is also responsible for preserving, collecting, and interpreting the history of Texas with emphasis on Farmers Branch as well as working to provide programming to enhance tourism.

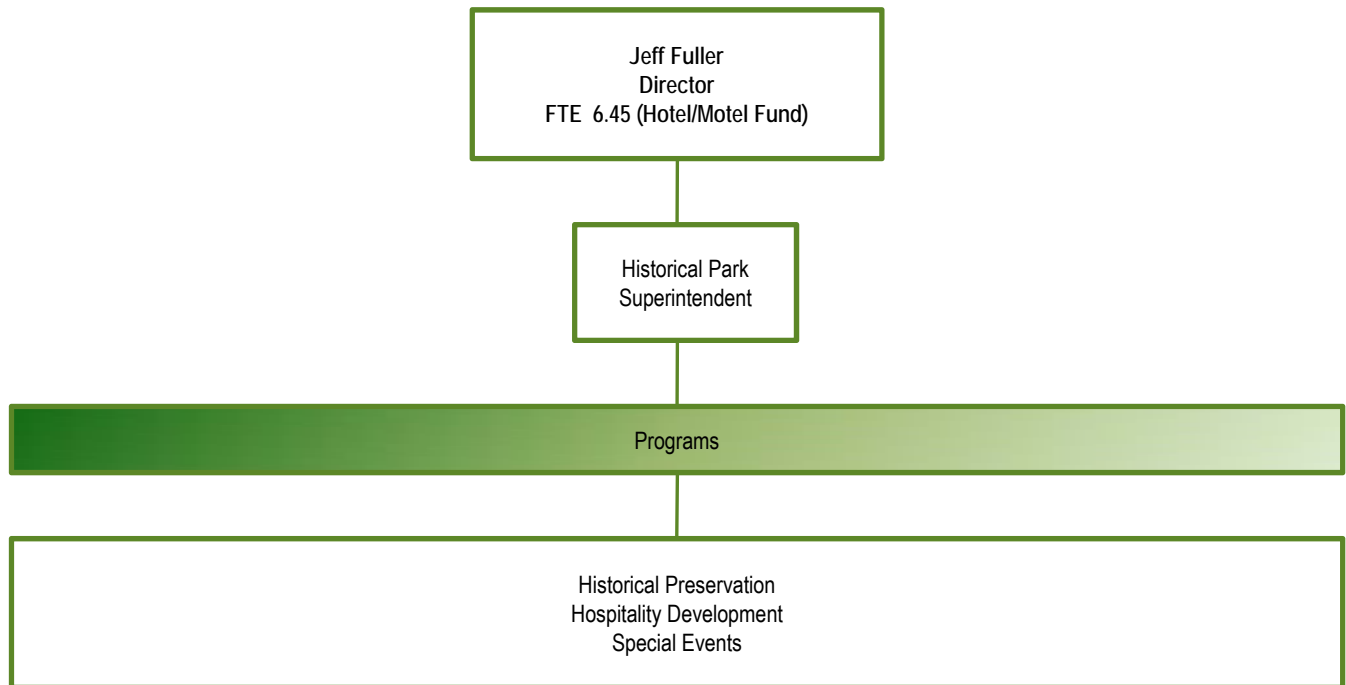
2008-09 GOALS & OBJECTIVES

1. Complete the rose garden in the Historical Park. *(Core Value 4)*
2. Complete trail master plan. *(Core Value 4)*
3. Continue a community rose program. *(Core Value 4)*
4. Develop a program to expand the number of trees planted in the city. *(Core Value 4)*
5. Develop a plan for a signature annual event to attract people into Farmers Branch. *(Core Value 4)*
6. Expand the holiday lighting program along I-635. *(Core Value 4)*
7. Upgrade Mallon Park landscape. *(Core Value 4)*
8. Increase computer program participation with new promotion techniques and new curriculum at the Senior Center. *(Core Value 4)*
9. Assist the Public Works Department in developing a Keep Farmers Branch Beautiful program. *(Core Value 4)*
10. Replace the HVAC unit and roof at the McKee Addition of the Historical Park. *(Core Value 5)*
11. Create a Skate Park at the Barney Wood athletic complex. *(Core Value 5)*

BUDGET HIGHLIGHTS

1. Included funds to replace HVAC units at the Historical Park.
2. Eliminated four part-time laborer positions and increased funding for contract labor in the Parks Maintenance Division.

Parks & Recreation



The Parks & Recreation Department also includes the Parks & Administration, Building Maintenance, Park Maintenance, Recreation, Swimming Pool, Senior Center, Park Board, Senior Advisory Board, and Christmas Divisions, which are detailed in the General Fund section of this document.

HISTORICAL PRESERVATION/ SPECIAL EVENTS SUMMARY	YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	% CHANGE FROM AMENDED BUDGET
<i>Personal Services/Benefits</i>	\$379,700	\$376,573	\$396,800	\$402,000	\$430,600	7.11%
<i>Purchased Prof & Tech Services</i>	1,500	1,427	1,500	1,500	1,500	0.00%
<i>Supplies</i>	40,500	35,213	40,600	41,400	40,600	-1.93%
<i>Repairs & Maintenance</i>	95,500	79,709	55,300	56,300	52,600	-6.57%
<i>Services</i>	87,900	70,664	85,200	89,800	104,800	16.70%
<i>Other Fixed Assets</i>	7,000	945	7,000	7,000	7,000	0.00%
<i>Special Events</i>	87,000	79,832	136,000	136,000	136,000	0.00%
<i>Transfers</i>	0	0	66,000	66,000	238,800	261.82%
Total Department Budget	\$699,100	\$644,363	\$788,400	\$800,000	\$1,011,900	26.49%

ECONOMIC DEVELOPMENT & TOURISM

The Economic Development & Tourism Office serves as the development representative for the City and is responsible for the attraction of business and industry both nationally and internationally, retention and expansion of existing business and industry, and promotion of local convention and tourism business. The office is a part of the Office of the City Manager. (Note: Functions of the Economic Development & Tourism Office are reported in two funds. The Economic Development function is reported in the General Fund and the Tourism function is reported in the Hotel/Motel Fund.)

2008-09 GOALS & OBJECTIVES

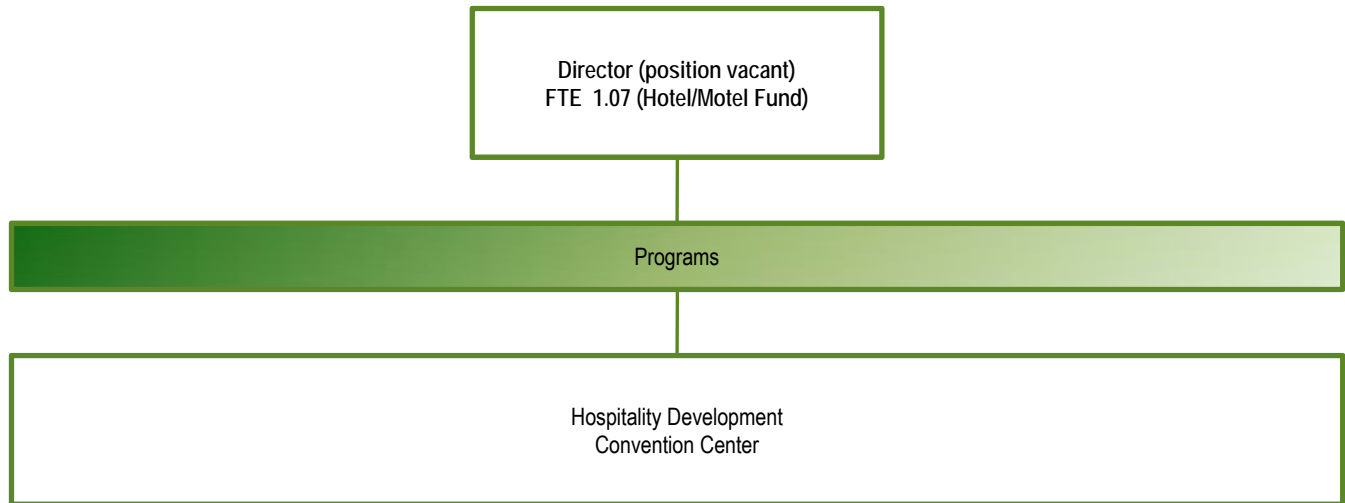
Tourism

1. Review and update tourism marketing strategies. *(Core Value 2)*
2. Increase the number of room nights generated for the hotel sector by Convention and Visitors Bureau staff or Convention and Visitors Bureau programs by five percent. *(Core Value 2)*

BUDGET HIGHLIGHTS

Included funds for new trade show booth as well as an increased focus on the corporate market in the Tourism Office budget.

Economic Development & Tourism



The Economic Development & Tourism Office also includes Economic Development activities, which are detailed in the General Fund section of this document.

PROMOTION OF TOURISM/ CONVENTION CENTER SUMMARY	YEAR-END		ADOPTED	YEAR-END		% CHANGE FROM AMENDED
	AMENDED			AMENDED		
	BUDGET	ACTUAL		BUDGET	BUDGET	
	2006-07	2006-07		2007-08	2007-08	
Supplies	\$10,000	\$6,674	\$6,500	\$6,500	\$4,000	-38.46%
Repairs & Maintenance	22,000	4,756	22,000	22,000	22,000	0.00%
Services	27,000	0	27,000	17,000	19,500	14.71%
Marketing	671,100	611,067	702,300	725,000	760,400	4.88%
Transfers	890,400	873,152	906,200	977,700	1,012,500	3.56%
Total Department Budget	\$1,620,500	\$1,495,649	\$1,664,000	\$1,748,200	\$1,818,400	4.02%

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2006-07	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09
PROMOTION OF TOURISM					
<i>Staff Tourism</i>	\$408,500	\$391,252	\$434,900	\$506,400	\$537,200
<i>Marketing</i>	671,100	611,067	702,300	725,000	760,400
Total Budget	\$1,079,600	\$1,002,319	\$1,137,200	\$1,231,400	\$1,297,600
CONVENTION CENTER					
<i>Supplies</i>	\$10,000	\$6,674	\$6,500	\$6,500	\$4,000
<i>Repairs & Maintenance</i>	22,000	4,756	22,000	22,000	22,000
<i>Services</i>	27,000	0	27,000	17,000	19,500
<i>Transfers</i>	481,900	481,900	471,300	471,300	475,300
Total Budget	\$540,900	\$493,330	\$526,800	\$516,800	\$520,800



**FARMERS
BRANCH**

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

General obligation debt can be in the form of bonds, certificates of obligation or tax notes. Bonds must be approved by vote of the general population prior to issuance. Certificates of obligation do not require voter approval, are generally short term in nature, and are frequently used to fund capital improvements not anticipated at the time of the latest bond election. Tax notes are similar to certificates of obligation in that there is no requirement for voter approval and they are generally short term in nature.

The City has the following outstanding debt issues:

\$2,375,000 General Obligation Refunding Bonds – Series 2002

Used to refund a portion of the City's outstanding debt in order to lower overall debt service requirements. The bonds constitute direct obligations of the City and are payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City.

There are \$1,025,000 bonds outstanding as of October 1, 2008. These bonds will be fully matured and paid on August 15, 2012.

\$7,750,000 Certificates of Obligation – Series 2007

Used to pay contractual obligations to be incurred for the following purposes: a) designing, developing, constructing, improving, extending, and expanding streets, thoroughfares, sidewalks, bridges, and other public ways of the City, including streetscaping, streetlighting, right-of-way protection, utility relocation, and related storm drainage improvements and acquiring rights-of-way in connection therewith, and b) acquiring, constructing, renovating, expanding, relocating and improving animal shelter facilities and acquiring land for such purposes. The Certificates constitute direct obligations of the City and are payable from a combination of a) the levy and collection of a direct and continuing ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, and b) a combination of all or a part of certain revenues of the City's combined waterworks and sewer system remaining after payment of any obligations of the City payable in whole or in part from a lien or pledge of such revenues that would be superior to the obligations to be authorized.

There are currently \$6,265,000 bonds outstanding. These bonds will be fully matured and paid on August 15, 2012.

\$4,800,000 Combination Tax & Hotel Occupancy Tax Certificates of Obligation – Series 1999

Used for the acquisition, construction and renovation of property for convention center purposes. The Certificates constitute direct obligations of the City and are payable from pledged revenues of the City's hotel/motel occupancy taxes, and, to the extent such amounts are insufficient for such purposes, from the levy and collection of an ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City.

There are currently \$2,380,000 bonds outstanding. These bonds will be fully matured and paid on August 15, 2014.

\$7,895,000 Combination Tax & Revenue Certificates of Obligation – Series 2004

Used to design, construct, develop, and equip a community ice-skating and conference facility. The Certificates constitute direct obligations of the City and are payable from a combination of a) the levy and collection of a direct and continuing ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, and b) a limited pledge of the surplus net revenues of the City's waterworks and sewer system with such pledge being

limited to an amount not in excess of \$1,000. The City has entered into a lease agreement with respect to the facility. The City anticipates that payments received under the lease will be applied to pay debt service on the Certificates; however, no portion of the lease revenues are pledged to secure the Certificates.

There are currently \$7,540,000 bonds outstanding. These bonds will be fully matured and paid on November 1, 2029.

DEBT SERVICE FUND SUMMARY OF REVENUES AND EXPENDITURES

PROPERTY TAX SUPPORTED DEBT

<i>FUND BALANCE 9/30/2007</i>			\$69,527
2007-08	ESTIMATED PROPERTY TAX REVENUES		\$2,190,000
2007-08	ESTIMATED PRIOR YEAR TAX, PENALTY AND INTEREST		40,000
2007-08	DEBT SERVICE REQUIREMENTS	(1)	(2,190,000)
<i>INCREASE (DECREASE) IN FUND BALANCE</i>			<u>40,000</u>
<i>FUND BALANCE 9/30/2008</i>			\$109,527
2008-09	ESTIMATED PROPERTY TAX REVENUES		\$2,174,900
2008-09	ESTIMATED PRIOR YEAR TAX, PENALTY AND INTEREST		40,000
2008-09	DEBT SERVICE REQUIREMENTS	(2)	(2,174,900)
<i>INCREASE (DECREASE) IN FUND BALANCE</i>			<u>40,000</u>
<i>ESTIMATED FUND BALANCE 9/30/2009</i>			<u><u>\$149,527</u></u>

SELF-SUPPORTING DEBT

<i>FUND BALANCE 9/30/2007</i>			\$160,239
2007-08	TRANSFER FROM HOTEL/MOTEL FUND	(3)	471,300
2007-08	TRANSFER FROM STARS CENTER FUND		604,600
2007-08	DEBT SERVICE REQUIREMENTS		(1,075,900)
<i>INCREASE (DECREASE) IN FUND BALANCE</i>			<u>0</u>
<i>ESTIMATED FUND BALANCE 9/30/2008</i>			\$160,239
2008-09	TRANSFER FROM HOTEL/MOTEL FUND		475,300
2008-09	TRANSFER FROM STARS CENTER FUND		603,400
2008-09	DEBT SERVICE REQUIREMENTS	(3)	(1,078,700)
<i>INCREASE (DECREASE) IN FUND BALANCE</i>			<u>0</u>
<i>ESTIMATED FUND BALANCE 9/30/2009</i>			<u><u>\$160,239</u></u>

(1) Includes approximately \$23,300 for paying agent fees and arbitrage calculation services.

(2) Includes approximately \$15,000 for paying agent fees and arbitrage calculation services.

(3) Includes approximately \$6,600 for paying agent fees and arbitrage calculation services.

SUMMARY
PROPERTY TAX SUPPORTED DEBT
PRINCIPAL & INTEREST REQUIREMENTS

Year	Principal	Interest	Total
2008-09	\$1,910,000.00	\$249,850.00	\$2,159,850.00
2009-10	1,735,000.00	185,845.00	1,920,845.00
2010-11	1,790,000.00	126,377.50	1,916,377.50
2011-12	1,855,000.00	64,522.50	1,919,522.50
Total	<u>\$7,290,000.00</u>	<u>\$626,595.00</u>	<u>\$7,916,595.00</u>

GENERAL OBLIGATION BONDS
 SERIES 2002
 AMOUNT OF ISSUE: \$2,375,000.00
 REFUNDING BONDS
 PRINCIPAL & INTEREST REQUIREMENTS
 Property Tax Supported Debt

Year	Principal	Interest	Total
2008-09	\$420,000.00	\$33,707.50	\$453,707.50
2009-10	195,000.00	21,107.50	216,107.50
2010-11	200,000.00	14,770.00	214,770.00
2011-12	210,000.00	7,770.00	217,770.00
<i>Total</i>	<u>\$1,025,000.00</u>	<u>\$77,355.00</u>	<u>\$1,102,355.00</u>

Interest Rates:

2007-08	-	3.000%
2008-09	-	3.000%
2009-10	-	3.250%
2010-11	-	3.500%
2011-12	-	3.700%

COMBINATION TAX and REVENUE
 CERTIFICATES OF OBLIGATION
 SERIES 2007
 AMOUNT OF ISSUE: \$7,750,000
 PRINCIPAL & INTEREST REQUIREMENTS
 Property Tax Supported Debt

Year	Principal	Interest	Total
2008-09	\$1,490,000.00	\$216,142.50	\$1,706,142.50
2009-10	1,540,000.00	164,737.50	1,704,737.50
2010-11	1,590,000.00	111,607.50	1,701,607.50
2011-12	1,645,000.00	56,752.50	1,701,752.50
<i>Total</i>	<u>\$6,265,000.00</u>	<u>\$549,240.00</u>	<u>\$6,814,240.00</u>

Interest Rates:

Nominal Annual Estimated Rate: 3.450%

**SUMMARY
SELF-SUPPORTING DEBT
PRINCIPAL & INTEREST REQUIREMENTS**

Year	Principal	Interest	Total
2008-09	\$535,000.00	\$537,051.25	\$1,072,051.25
2009-10	560,000.00	512,897.50	1,072,897.50
2010-11	585,000.00	486,077.50	1,071,077.50
2011-12	615,000.00	456,680.00	1,071,680.00
2012-13	650,000.00	425,663.75	1,075,663.75
2013-14	685,000.00	392,178.75	1,077,178.75
2014-15	245,000.00	356,673.75	601,673.75
2015-16	260,000.00	343,070.00	603,070.00
2016-17	275,000.00	327,555.00	602,555.00
2017-18	290,000.00	311,170.00	601,170.00
2018-19	310,000.00	293,770.00	603,770.00
2019-20	330,000.00	275,210.00	605,210.00
2020-21	350,000.00	255,490.00	605,490.00
2021-22	370,000.00	234,610.00	604,610.00
2022-23	390,000.00	212,570.00	602,570.00
2023-24	415,000.00	189,225.00	604,225.00
2024-25	440,000.00	164,430.00	604,430.00
2025-26	465,000.00	138,185.00	603,185.00
2026-27	490,000.00	110,490.00	600,490.00
2027-28	520,000.00	81,200.00	601,200.00
2028-29	555,000.00	50,025.00	605,025.00
2029-30	585,000.00	16,965.00	601,965.00
<i>Total</i>	<u><u>\$9,920,000.00</u></u>	<u><u>\$6,171,187.50</u></u>	<u><u>\$16,091,187.50</u></u>

COMBINATION TAX and HOTEL OCCUPANCY TAX
 CERTIFICATES OF OBLIGATION
 SERIES 1999
 AMOUNT OF ISSUE: \$4,800,000.00
 PRINCIPAL & INTEREST REQUIREMENTS
 Self-Supporting Debt

Year	Principal	Interest	Total
2008-09	\$350,000.00	\$120,267.50	\$470,267.50
2009-10	365,000.00	103,292.50	468,292.50
2010-11	385,000.00	85,225.00	470,225.00
2011-12	405,000.00	65,975.00	470,975.00
2012-13	425,000.00	45,725.00	470,725.00
2013-14	450,000.00	23,625.00	473,625.00
<i>Total</i>	<u>\$2,380,000.00</u>	<u>\$444,110.00</u>	<u>\$2,824,110.00</u>

Interest Rates:

2007	-	4.750%
2008-09	-	4.850%
2010	-	4.950%
2011-12	-	5.000%
2013	-	5.200%
2014	-	5.250%

COMBINATION TAX and REVENUE
CERTIFICATES OF OBLIGATION
SERIES 2004
AMOUNT OF ISSUE: \$7,895,000
PRINCIPAL & INTEREST REQUIREMENTS
Self-Supporting Debt

Year	Principal	Interest	Total
2008-09	\$185,000.00	\$416,783.75	\$601,783.75
2009-10	195,000.00	409,605.00	604,605.00
2010-11	200,000.00	400,852.50	600,852.50
2011-12	210,000.00	390,705.00	600,705.00
2012-13	225,000.00	379,938.75	604,938.75
2013-14	235,000.00	368,553.75	603,553.75
2014-15	245,000.00	356,673.75	601,673.75
2015-16	260,000.00	343,070.00	603,070.00
2016-17	275,000.00	327,555.00	602,555.00
2017-18	290,000.00	311,170.00	601,170.00
2018-19	310,000.00	293,770.00	603,770.00
2019-20	330,000.00	275,210.00	605,210.00
2020-21	350,000.00	255,490.00	605,490.00
2021-22	370,000.00	234,610.00	604,610.00
2022-23	390,000.00	212,570.00	602,570.00
2023-24	415,000.00	189,225.00	604,225.00
2024-25	440,000.00	164,430.00	604,430.00
2025-26	465,000.00	138,185.00	603,185.00
2026-27	490,000.00	110,490.00	600,490.00
2027-28	520,000.00	81,200.00	601,200.00
2028-29	555,000.00	50,025.00	605,025.00
2029-30	585,000.00	16,965.00	601,965.00
<i>Total</i>	<u>\$7,540,000.00</u>	<u>\$5,727,077.50</u>	<u>\$13,267,077.50</u>

Interest Rates:

2007-08	-	3.100%
2008-09	-	3.650%
2009-10	-	3.900%
2010-15	-	4.950%
2015-30	-	5.800%



**FARMERS
BRANCH**

SPECIAL REVENUE FUNDS REVENUE SUMMARY

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	PERCENT OF BUDGET
POLICE FORFEITURE FUNDS	\$64,971	\$20,000	\$20,000	\$20,000	1.27%
DONATIONS	65,729	19,042	48,075	49,042	3.12%
YOUTH SCHOLARSHIP	6,611	3,000	3,000	3,000	0.19%
GRANTS	83,114	109,100	127,100	220,600	14.04%
BUILDING SECURITY FUND	53,478	36,700	36,700	36,700	2.34%
COURT TECHNOLOGY	75,432	50,000	50,000	50,000	3.18%
LANDFILL CLOSURE/POST-CLOSURE	1,184,049	1,135,000	1,135,000	250,000	15.91%
STARS CENTER	658,791	614,256	614,256	603,000	38.37%
CEMETERY	0	150,000	165,000	4,000	0.25%
LEGAL DEFENSE	40,909	35,000	35,000	35,000	2.23%
PHOTOGRAPHIC LIGHT SYSTEM	19,418	400,000	400,000	300,000	19.09%
GRAND TOTAL	<u>\$2,252,502</u>	<u>\$2,572,098</u>	<u>\$2,634,131</u>	<u>\$1,571,342</u>	<u>100.00%</u>

SPECIAL REVENUE FUNDS EXPENDITURE SUMMARY

	ACTUAL 2006-07	ADOPTED BUDGET 2007-08	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09	PERCENT OF BUDGET
POLICE FORFEITURE FUNDS	\$52,703	\$107,400	\$107,400	\$107,400	4.16%
DONATIONS	76,050	49,223	91,836	79,658	3.08%
YOUTH SCHOLARSHIP	3,220	5,900	5,900	5,900	0.23%
GRANTS	83,114	107,900	127,100	220,600	8.54%
BUILDING SECURITY FUND	52,247	60,000	45,000	45,000	1.74%
COURT TECHNOLOGY	144,310	38,320	38,320	39,820	1.54%
LANDFILL CLOSURE/POST-CLOSURE	83,060	0	365,900	1,130,000	43.73%
STARS CENTER	638,000	604,600	604,600	603,400	23.35%
CEMETERY	0	15,000	15,300	17,200	0.67%
LEGAL DEFENSE	40,909	35,000	35,000	35,000	1.35%
PHOTOGRAPHIC LIGHT SYSTEM	16,680	400,000	400,000	300,000	11.61%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
GRAND TOTAL	<u><u>\$1,190,293</u></u>	<u><u>\$1,423,343</u></u>	<u><u>\$1,836,356</u></u>	<u><u>\$2,583,978</u></u>	<u><u>100.00%</u></u>

SPECIAL REVENUE FUND

Adopted Budget 2008-09

Police Forfeiture Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>			\$117,085
BUDGETED REVENUES			
Court Ordered Forfeitures		<u>\$20,000</u>	
TOTAL BUDGETED REVENUES		<u>\$20,000</u>	20,000
BUDGETED EXPENDITURES			
Operating		\$15,000	
Red Ribbon Tournament		4,000	
Training		18,400	
Tactical Equipment		25,000	
Office Supplies and Equipment		25,000	
Federal Expenditures		<u>20,000</u>	
TOTAL BUDGETED EXPENDITURES		<u>\$107,400</u>	<u>(107,400)</u>
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$29,685</u></u>

SPECIAL REVENUE FUND

Adopted Budget 2008-09

Donations

<i>BEGINNING FUND BALANCE</i>		\$86,667
BUDGETED REVENUES		
Donations Received for Environmental Health	\$4,900	
Donations Received for Senior Center	4,000	
Donations Received for Parks - Kidfish Event	10,000	
Donations Received for Historical Park	19,000	
Donations Received for Police	2,000	
Donations Received for Parks	400	
Donations Received for Fire	2,742	
Donations Received for Library	6,000	
	<hr/>	
TOTAL BUDGETED REVENUES	\$49,042	49,042
	<hr/>	
BUDGETED EXPENDITURES		
Human Resources		
Wellness Program	\$20,425	
Animal Care - General	900	
Animal Care - Spay and Neuter	5,100	
Police Training Aids & Equipment	3,000	
Fire Equipment and Training	3,000	
Parks - Kidfish Event	10,000	
Senior Center	4,000	
Library Materials	6,000	
Historical Park		
Purchase Antiques	19,000	
Land Grant Office	253	
Victorian House - Purchase Artifacts	6,500	
Log Cabins - Restoration Projects	1,480	
	<hr/>	
TOTAL BUDGETED EXPENDITURES	\$79,658	(79,658)
	<hr/>	
<i>PROJECTED ENDING FUND BALANCE (1)</i>		<hr/> <hr/> \$56,051

NOTE:

(1) The projected ending fund balance is designated as follows:

Art/Cultural	\$166
Fire	2,845
Innovations	4,723
Kidfish	1,961
Library	13,092
Park Improvements	13,187
Revitalization Projects	368
Safety	10,427
Senior Center	9,185
Animal Care/Spay Neuter	97
	<u>\$56,051</u>

SPECIAL REVENUE FUND

Adopted Budget 2008-09

Youth Scholarship

<i>BEGINNING FUND BALANCE</i>			\$16,916
BUDGETED REVENUES			
Youth Scholarship	<u>\$3,000</u>		
TOTAL BUDGETED REVENUES	<u>\$3,000</u>	3,000	
BUDGETED EXPENDITURES			
Parks & Recreation	<u>\$5,900</u>		
TOTAL BUDGETED EXPENDITURES	<u>\$5,900</u>	<u>(5,900)</u>	
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$14,016</u></u>

Adopted Budget 2008-09

Grants

BEGINNING FUND BALANCE

\$0

BUDGETED REVENUES

Environmental Health	\$10,500
Police Uniforms	12,100
Police TxDot STEP Grant	70,000
Police Click It or Ticket	8,000
Police CFTFK	40,000
Police State 421	50,000
Lone Star Libraries Grant	18,000
Parks - Forestry Grant	10,000
Parks - Texas Heritage Trails Grant	<u>2,000</u>

TOTAL BUDGETED REVENUES

\$220,600

220,600

BUDGETED EXPENDITURES

Texas Department of Health Chempack	\$4,500
Spay & Neuter	6,000
Patrol Uniforms	12,100
Police Overtime	70,000
Police Click It or Ticket	8,000
Police CFTFK	40,000
Police State 421	50,000
Lone Star Libraries Grant	18,000
Parks Forestry Grant	10,000
Historical Park Events	2,000

TOTAL BUDGETED EXPENDITURES

\$220,600

(220,600)

PROJECTED ENDING FUND BALANCE

\$0

Note: Deficits in beginning or ending fund balance are a result of a timing difference between grant expenditures incurred and the filing of requests for reimbursements.

SPECIAL REVENUE FUND

Adopted Budget 2008-09

Building Security Fund

<i>BEGINNING FUND BALANCE</i>			\$170,887
BUDGETED REVENUES			
Building Security	\$36,700		
TOTAL BUDGETED REVENUES	\$36,700	36,700	
BUDGETED EXPENDITURES			
Repairs and Maintenance	\$32,300		
Court Security	12,700		
TOTAL BUDGETED EXPENDITURES	\$45,000	(45,000)	
<i>PROJECTED ENDING FUND BALANCE</i>			<u>\$162,587</u>

SPECIAL REVENUE FUND

Adopted Budget 2008-09

Court Technology Fund

<i>BEGINNING FUND BALANCE</i>			\$221,152
BUDGETED REVENUES			
Court Fines	<u>\$50,000</u>		
TOTAL BUDGETED REVENUES	<u>\$50,000</u>	50,000	
BUDGETED EXPENDITURES			
Court Technology	\$10,500		
Services	420		
Equipment - Office	<u>28,900</u>		
TOTAL BUDGETED EXPENDITURES	<u>\$39,820</u>	<u>(39,820)</u>	
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$231,332</u></u>

SPECIAL REVENUE FUND

Adopted Budget 2008-09

Landfill Closure/Post-Closure

<i>BEGINNING FUND BALANCE</i>			\$8,581,247
BUDGETED REVENUES			
Interest	<u>\$250,000</u>		
TOTAL BUDGETED REVENUES	<u>\$250,000</u>	250,000	
BUDGETED EXPENDITURES			
Gas Collection System - Design	\$830,000		
Landfill Expansion Permit	<u>300,000</u>		
TOTAL BUDGETED EXPENDITURES	<u>\$1,130,000</u>	(1,130,000)	
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$7,701,247</u></u>

SPECIAL REVENUE FUND

Adopted Budget 2008-09

Stars Center

<i>BEGINNING FUND BALANCE</i>			\$368,890
BUDGETED REVENUES			
Rent	\$600,000		
Interest	<u>3,000</u>		
TOTAL BUDGETED REVENUES	<u>\$603,000</u>	603,000	
BUDGETED EXPENDITURES			
Debt Service Transfers	<u>\$603,400</u>		
TOTAL BUDGETED EXPENDITURES	<u>\$603,400</u>	<u>(603,400)</u>	
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$368,490</u></u>

SPECIAL REVENUE FUND

Adopted Budget 2008-09

Cemetery

<i>BEGINNING FUND BALANCE</i>			\$149,700
BUDGETED REVENUES			
Interest	\$4,000		
TOTAL BUDGETED REVENUES	\$4,000	4,000	
BUDGETED EXPENDITURES			
Part-Time	\$15,600		
Supplies	400		
Repairs and Maintenance	500		
Services	700		
TOTAL BUDGETED EXPENDITURES	\$17,200	(17,200)	
<i>PROJECTED ENDING FUND BALANCE</i>			<u>\$136,500</u>

SPECIAL REVENUE FUND

Adopted Budget 2008-09

Legal Defense

<i>BEGINNING FUND BALANCE</i>			\$0
BUDGETED REVENUES			
Donations	<u>\$35,000</u>		
TOTAL BUDGETED REVENUES	<u>\$35,000</u>	35,000	
BUDGETED EXPENDITURES			
Credit Card Fees	<u>\$35,000</u>		
TOTAL BUDGETED EXPENDITURES	<u>\$35,000</u>	<u>(35,000)</u>	
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$0</u></u>

SPECIAL REVENUE FUND

Adopted Budget 2008-09

Photographic Light System

<i>BEGINNING FUND BALANCE</i>			\$2,738
BUDGETED REVENUES			
Red Light Enforcement	<u>\$300,000</u>		
TOTAL BUDGETED REVENUES	<u>\$300,000</u>	300,000	
BUDGETED EXPENDITURES			
Public Hearing Officer	\$3,100		
Officer Review Overtime	23,100		
State Share	36,900		
Public Safety Expenses	36,900		
Red Light Enforcement Contract	<u>200,000</u>		
TOTAL BUDGETED EXPENDITURES	<u>\$300,000</u>	<u>(300,000)</u>	
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$2,738</u></u>

FIXED ASSET FUND SUMMARY

	YEAR-END AMENDED BUDGET 2007-08	ADOPTED BUDGET 2008-09
<i>ESTIMATED BEGINNING FUND BALANCE</i>	\$1,152,337 (1)	\$489,937
ESTIMATED TRANSFER FROM OPERATING FUNDS	1,933,200	1,788,800
ESTIMATED FIXED ASSET PURCHASES	(2,622,700)	(1,948,400)
DESIGNATION FOR FUTURE PURCHASES	(135,400) (2)	0
INSURANCE PROCEEDS	12,500	0
PROCEEDS FROM AUCTIONS	<u>150,000</u>	<u>150,000</u>
<i>ESTIMATED ENDING UNALLOCATED FUND BALANCE</i>	<u><u>\$489,937</u></u>	<u><u>\$480,337</u></u>

(1) The Year-End Amended Budget estimated fund balance reflects the fund balance actual per the 9/30/07 Comprehensive Annual Financial Report.

(2) Future purchase designations for the 2007-08 year-end amended budget totaling \$135,400 are for: Police Vehicles \$18,500 and Public Works and Parks vehicles \$116,900.

FIXED ASSETS

DIVISION	DESCRIPTION	YEAR-END			
		AMENDED BUDGET TRANSFERS 2007-08	AMENDED BUDGET PLANNED PURCHASES 2007-08	ADOPTED BUDGET TRANSFERS 2008-09	ADOPTED BUDGET PLANNED PURCHASES 2008-09
Communications	Postage Meter	\$ 29,700	\$ 29,700	\$	\$
	Studio Improvements				25,000
	Division Total	<u>\$ 29,700</u>	<u>\$ 29,700</u>	<u>\$</u>	<u>\$ 25,000</u>
Human Resources	Copier	\$ 10,000	\$ 10,000	\$	\$
	Division Total	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$</u>	<u>\$</u>
Information Services	Network Replacement/Upgrade Program	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000
	HVAC	46,000	46,000		
	Telephone Switch/Voicemail Upgrade	40,000	40,000		
	Division Total	<u>\$ 111,000</u>	<u>\$ 111,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>
Building Inspections	Vehicle(s)	\$ 99,500	\$ 99,500	\$	\$
	Division Total	<u>\$ 99,500</u>	<u>\$ 99,500</u>	<u>\$</u>	<u>\$</u>
Environmental Health	Vehicle(s)	\$ 49,000	\$ 49,000	\$	\$
	Division Total	<u>\$ 49,000</u>	<u>\$ 49,000</u>	<u>\$</u>	<u>\$</u>
Engineering	Vehicle	\$ 25,000	\$ 25,000	\$	\$
	Copier	9,000	9,000		
	Division Total	<u>\$ 34,000</u>	<u>\$ 34,000</u>	<u>\$</u>	<u>\$</u>
Traffic Engineering	Signal Cabinets	\$ 25,000	\$ 25,000	\$	\$
	Vehicle	24,500	24,500		
	Division Total	<u>\$ 49,500</u>	<u>\$ 49,500</u>	<u>\$</u>	<u>\$</u>
Solid Waste	Replacement Loader(s)	\$ 308,000	\$ 528,000	\$ 229,800	\$ 402,900
	Roll-on/Roll-off Truck			141,500	141,500
	Division Total	<u>\$ 308,000</u>	<u>\$ 528,000</u>	<u>\$ 371,300</u>	<u>\$ 544,400</u>
Street Maintenance	Vehicle(s)	\$ 25,500	\$ 25,500	\$	\$
	Message Board			18,000	18,000
	Vibratory Roller			11,500	11,500
	Division Total	<u>\$ 25,500</u>	<u>\$ 25,500</u>	<u>\$ 29,500</u>	<u>\$ 29,500</u>
Police Administration	HVAC	\$	\$	\$ 10,000	\$ 10,000
	Division Total	<u>\$</u>	<u>\$</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Police Patrol	Vehicle(s)	(1) \$ 205,000	\$ 302,700	\$ 220,000	\$ 256,500
	Surveillance Camera		6,000		
	Division Total	<u>\$ 205,000</u>	<u>\$ 308,700</u>	<u>\$ 220,000</u>	<u>\$ 256,500</u>
Fire Administration	Replacement Vehicle(s)	\$	\$	\$ 28,000	\$ 28,000
	Division Total	<u>\$</u>	<u>\$</u>	<u>\$ 28,000</u>	<u>\$ 28,000</u>
Fire Operations	Fire Engine & Ambulance Replacement	(1) \$	\$ 147,600	\$ 75,000	\$
	Fire Station No. 3 Furniture/Fixtures	22,400	22,400		
	Physical Fitness Equipment	25,000	25,000		
	Division Total	<u>\$ 47,400</u>	<u>\$ 195,000</u>	<u>\$ 75,000</u>	<u>\$</u>

FIXED ASSETS

DIVISION	DESCRIPTION	YEAR-END	YEAR-END	ADOPTED	ADOPTED
		AMENDED BUDGET TRANSFERS 2007-08	AMENDED BUDGET PLANNED PURCHASES 2007-08		
				BUDGET TRANSFERS 2008-09	BUDGET PLANNED PURCHASES 2008-09
<i>Parks & Rec. Admin.</i>	Copier	\$ 8,500	\$ 8,500	\$	\$
	Division Total	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$</u>	<u>\$</u>
<i>Building Maintenance</i>	Fuel Conversion	\$	\$	\$ 10,000	\$ 10,000
	Division Total	<u>\$</u>	<u>\$</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
<i>Park Maintenance</i>	Mower(s)	\$ 92,000	\$ 152,000	\$ 48,000	\$ 48,000
	Vehicle(s)	84,000	84,000	38,000	38,000
	Replacement Equipment	28,000	28,000		
	Replacement Backhoe			78,000	78,000
	Replacement Tractor			48,000	48,000
	Replacement Spray Rig			25,300	25,300
	Replacement Trailer(s)			12,000	12,000
	Replacement Aerator			21,600	21,600
	Replacement Top Dresser			20,000	20,000
	Replacement Ballfield Conditioner			13,500	13,500
	Division Total	<u>\$ 204,000</u>	<u>\$ 264,000</u>	<u>\$ 304,400</u>	<u>\$ 304,400</u>
<i>Historical Preservation</i>	Copier	\$ 8,000	\$ 8,000	\$	\$
	Roof for Old Church	20,000	20,000		
	Interior Repairs - Old Church	18,000	18,000		
	Rose Garden	20,000	20,000	20,000	20,000
	Roofs (Depot, School, McKee)			30,000	30,000
	HVAC			11,000	11,000
	Utility Cart			7,800	7,800
	Electrical System Upgrade			170,000	170,000
	Division Total	<u>\$ 66,000</u>	<u>\$ 66,000</u>	<u>\$ 238,800</u>	<u>\$ 238,800</u>
<i>Library</i>	Library Materials	\$ 185,200	\$ 185,200	\$ 190,800	\$ 190,800
	Annual Projects			75,000	75,000
	HVAC	34,400	34,400		
	Division Total	<u>\$ 219,600</u>	<u>\$ 219,600</u>	<u>\$ 265,800</u>	<u>\$ 265,800</u>
<i>Fleet Maintenance</i>	Fork Lift	\$ 18,000	\$ 18,000	\$	\$
	Flooring	11,000	11,000		
	HVAC	40,000	40,000		
	State Inspection Machine	11,000	11,000		
	Exhaust Fan			8,500	8,500
	Division Total	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 8,500</u>	<u>\$ 8,500</u>
<i>Water & Sewer Operations</i>	Replacement Vehicle(s)	\$ 107,000	\$ 107,000	\$	\$
	Meter Reading Equipment Conversion		154,200	60,000	60,000
	Dump Truck(s)	115,000	115,000		
	Large Water Meters	50,000	50,000	50,000	50,000
	Air Compressor	15,500	15,500		
	Backhoe	99,000	99,000	78,000	78,000
	GPS Sub-foot Unit & Software			9,500	9,500
	Division Total	<u>\$ 386,500</u>	<u>\$ 540,700</u>	<u>\$ 197,500</u>	<u>\$ 197,500</u>

FIXED ASSETS

DIVISION	DESCRIPTION	YEAR-END	YEAR-END	ADOPTED	ADOPTED
		AMENDED BUDGET TRANSFERS 2007-08	AMENDED BUDGET PLANNED PURCHASES 2007-08	BUDGET TRANSFERS 2008-09	BUDGET PLANNED PURCHASES 2008-09
<i>Court Technology</i>	Electronic Ticket Writers	\$	\$ 4,000	\$	\$
	Division Total	\$	\$ 4,000	\$	\$
Total		\$ 1,933,200	\$ 2,622,700	\$ 1,788,800	\$ 1,948,400
Totals by Fund:					
	General Fund	\$ 1,400,700	\$ 1,932,000	\$ 1,344,000	\$ 1,503,600
	Water & Sewer Fund	386,500	540,700	197,500	197,500
	Internal Service Fund	80,000	80,000	8,500	8,500
	Hotel/Motel Fund	66,000	66,000	238,800	238,800
	Special Revenue Funds	4,000	4,000		
		\$ 1,933,200	\$ 2,622,700	\$ 1,788,800	\$ 1,948,400

Footnotes for Transfers and Purchases:

(1) Ongoing annual replacement funding of police and fire vehicles. Transfers cover purchases on a multi-year basis.

THE CIP PROCESS AND ITS RELATIONSHIP TO OPERATION BUDGETS

The Capital Improvement Program (CIP) is a financial plan for the development, design, and construction of major infrastructure improvements and projects in the City of Farmers Branch. This program encompasses projects funded through the sale of general obligation bonds, revenue bonds, interest earnings, and available fund balances from the General Fund and Water & Sewer Fund.

All CIP projects are identified through a long-range strategic planning process involving the City Council and all departments of the City. Projects for rehabilitation as well as new projects for growth and development are identified and prioritized based on needs. Funding is identified and projects are reorganized based on funding availability. Projects are spaced over time in order to achieve maximum construction with minimum tax rate or user charge impact.

The Capital Improvement Program can significantly impact the operating budget. The City relies heavily on General Fund and Water & Sewer Fund transfers in order to fund the CIP. Revenue growth and conservative spending patterns have allowed the City to make these transfers in the past and departments have the ability to fund day-to-day operations of the improvements through their existing operating budgets. In many instances, operating costs have actually been reduced by these improvements. For example, rebuilding older roadways reduces maintenance costs and the replacement of old water and sewer lines has reduced leakage and inflow/infiltration problems. The City's long-range plan estimates that revenue growth will be sufficient to cover most of these added costs. Further detail related to the operating cost impact of new capital improvement projects can be found in the project descriptions located at the beginning of this section. A "minimal" operating budget impact is defined as \$20,000 or less in operating cost.

CAPITAL IMPROVEMENT PROGRAM BUDGET ADOPTED 2008-09 BUDGET

The Capital Improvement Program (CIP) consists of budgets for seven capital improvement funds that represent the capital spending plan for the City. The first three funds listed represent the City's Pay-As-You-Go Program. The seven capital improvement funds include:

Non-Bond Capital Improvement Program (CIP) Fund: The revenues are primarily from General Fund transfers. Expenditures are for improvements to municipal facilities, parks, land acquisition, the Street Resurfacing and Reconstruction Programs, and other capital improvement projects not included in one of the other funds. This fund accounts for most new capital improvement projects of the City as remaining bond-funded programs near completion.

Hotel/Motel Capital Improvement Program (CIP) Fund: This fund was previously identified as the Historical Park Fund. The revenues are exclusively from the Hotel/Motel Fund. Expenditures are for improvements to the Historical Park.

Non-Bond Utility Fund: The revenues consist primarily of transfers from the Water & Sewer Fund. Expenditures are for water and sanitary sewer improvements. The budget has been expanded to begin funding capital replacement at levels based on the annual depreciation of the water and sanitary sewer systems.

DART Local Assistance Program (LAP) Fund: The revenues are primarily from DART with supplemental funding from earned interest, the Texas Department of Transportation (TxDoT), and Dallas County. Expenditures are for street, traffic, and transportation improvements associated with transit. Revenue projections are provided throughout the duration of the LAP that ends in 2004-05.

Tax Increment Finance District #1 Fund: The Mercer Crossing TIF district expires in 2018 and the fund will be active until that expiration date. Revenues will be generated from bonds, developers' contributions and advances, and property tax payments.

Tax Increment Finance District #2 Fund: The Old Farmers Branch TIF district expires in 2019 and the fund will be active until that expiration date. Revenues will be generated from bonds, developers' contributions and advances, and property tax payments.

Street Improvement/Animal Shelter Bond Fund: The revenues consist primarily of certificate of obligation bond proceeds. Expenditures are for the construction of a new Animal Shelter and the rehabilitation of several streets (Webb Chapel Road, Midway Road, and Benchmark).

Capital Improvement Program Budget

Project Descriptions for Adopted 2008-09 Budget

The following is a complete list of capital improvement projects that are currently underway or are planned for the future. The budget amount indicated below the name of each project represents the total budget for that project in that fund, as some projects are funded through more than one fund in the Capital Improvement Budget. Projects funded by the Pay-As-You-Go program are identified in the first three funds- the Non-Bond Fund, the Hotel/Motel CIP Fund, and the Non-Bond Utility Fund.

Changes to funding or scope of work of existing projects appear in *italicized, underlined print*. New projects appear in bold print. Discussions of funding and changes in scope of work approved in prior years have been deleted.

NON-BOND FUND

Playground/Park Renovations

\$946,756

The budget provides for playground or park renovations at various City parks. *The budget includes funding for the construction of a skate park in 2008-09.* Funding is provided from Parks and Recreation Department transfers. Operating Budget Impact: Minimal.

Mustang Trails Erosion Control

\$468,901

This is a continuation of erosion control work completed at Mustang Trails in 2005. Continued erosion is threatening the westbound lanes of Valley View Lane and two to three sanitary sewer crossings located downstream of Valley View. *The budget has been increased by \$200,000 based on estimated consulting and construction costs.* Operating Budget Impact: reduced maintenance to protect sanitary sewer lines.

Redevelopment Program

\$3,445,000

This program funds improvements to revitalization areas. Funds will be used to address the DART Station Area and other possible locations. *The budget increase is a result of funding an additional year in 2014-15.* Operating Impact: Unknown until specific projects are identified.

Bridge- Farmers Branch Creek @ Mobil

\$300,000

The project provides funding for the installation of a bridge over Farmers Branch Creek west of Midway Road. The developer on the north side of the Mobil tract provided \$100,000 to the City for the construction of a bridge over Farmers Branch Creek. The developer on the south side of the Mobil tract provided \$200,000 to the City for the construction of a bridge over Farmers Branch Creek. A Developer's Contract with Mobil Technology Company sets forth the conditions relative to the timing of the construction of the bridge, which is dependent upon development on the undeveloped tracts. Operating Budget Impact: None.

Rawhide Creek FEMA Study

\$182,000

The project provides for a hydrologic and hydraulic study to update the National Flood Insurance Maps. The map delineates the 100-year flood plain and is used to determine the cost of flood insurance. The last update was conducted in 1988. Operating Budget Impact: None.

Transit Oriented Development

\$758,026

This project provides funding for land acquisition and additional improvements around the proposed DART light rail station. *The budget was increased from \$708,026 to provide additional funds for transit station development.* Operating Budget Impact: Not applicable.

NON-BOND FUND (continued)

Railroad Crossing Improvements

\$1,002,000

This project funds the reconstruction of railroad crossings at various locations throughout the City. Funding is available from Public Works Department transfers. The budget was decreased from \$1,125,000 based on a revised listing of railroad crossings that needed repair. Operating Budget Impact: Reduced maintenance costs.

CDBG Sidewalk (Bee Street)

\$149,382

This project funded sidewalks along Bee Street from Brandywine south to Havenhurst on the east and west sides of the street. Operating Budget Impact: Minimal maintenance costs.

CDBG Sidewalk (Havenhurst)

\$83,280

This project funded sidewalks on the north side of Havenhurst Street from Bee Street to Dennis Lane. Funds for this project are available from CDBG monies. Operating Budget Impact: Minimal maintenance costs.

CDBG Sidewalks (Goodwater)

\$108,879

This project funds construction of a sidewalk in two different stretches of Goodwater. The first runs from Havenhurst to Fruitland on the east side of Goodwater; the second runs from Goodwater to Tom Field Road along the south side of Richland Avenue. Funds for this project are available from CDBG monies. Operating Budget Impact: Minimal maintenance costs.

Replace Pedestrian Bridge (near Templeton)

\$130,000

This project funds the replacement of the existing pedestrian bridge and fund construction of a new pedestrian bridge on the south side of Valley View Lane near Templeton Trails. The existing bridge does not meet federal standards related to ADA requirements. Operating Budget Impact: Reduce maintenance costs by eliminating need to replace major wood components.

Luna-Mira Lago Frontage Road Connection

\$712,569

This project provides for the construction of an eastbound service road connection between Luna Road and the Mira Lago development on the City's Westside. The zoning for the Mira Lago development requires this service road. The developer provided funding for this project. Operating Budget Impact: None.

Railroad Crossing Signal Controllers (DART)

\$150,000

This project provides for the construction of signal controllers installed at the DART railroad crossings with the building of the light rail line. DART will be reimbursing the City for the full cost of installing the controllers. Operating Impact: None.

Beautification Projects

\$200,000

This project provides funding to enhance and beautify specific areas within the City as identified by the City Council. Operating Impact: Unknown until specific projects are identified.

Liberty Plaza

\$430,000

This project provides for the construction of a plaza south of the Dr Pepper StarCenter. The budget has been increased from \$400,000 based on estimated consulting services for construction. Operating Impact: Increased operating costs associated with electrical and water use.

NON-BOND FUND (continued)

City Entryway Enhancements

\$50,000

This project provides for the construction and enhancement to the entryway monuments marking prominent entrances to the City. Operating Impact: Unknown until program is fully developed.

Transit Square

\$365,000

This project provides funding to construct public open space, which is identified in the Farmers Branch Station Area Code. The square will be located south of the DART Park and Ride, north of Buttonwood and bordered by Denton Dr. and the DART rail line to the east and west, respectively. Amenities at the square will be complementary to urban vision of FB Station. The budget has been increased from \$325,000 based on estimated consulting services for design and construction.

Service Center Improvements

\$0

The Non-Bond Fund portion of this project has been eliminated.

Senior Center Parking Lot Expansion

\$85,000

This project provides additional parking spaces immediately adjacent to the Senior Center (former St. Stephens Dry Cleaners site). Full funding for the project is provided from the site closure settlement. The budget has been increased from \$75,000 based on estimated consulting services for design and construction. Operating Impact: Minimal.

Streetscape Enhancements

\$210,000

This project provides funding for decorative street signs within the City's residential neighborhoods as well as backlit street signs at major intersections throughout the City. The budget was increased from \$165,000 to continue placing signs along major east-west thoroughfares and installing backlit streets signs at six major intersections. Operating Impact: None.

Street Resurfacing Program

\$21,869,567

This project provides for the annual resurfacing of various street as identified in the annual street evaluation program. The budget was decreased to more realistically reflect available funding. Operating Budget Impact: Reduced maintenance costs because resurfacing preserves/extends the life of miles of streets that would be expensive to reconstruct.

2003-04 Street Reconstruction- Longmeade Drive

\$1,323,028

This project provides for the reconstruction of pavement, sidewalks, and drive approaches on Longmeade Drive from Webb Chapel Road to Golfing Green Drive. The total project budget is \$1,673,028. The water line improvements associated with the street reconstruction are partially funded in the Non-Bond Utility Fund (\$350,000). Operating Budget Impact: Reduced costs associated with maintaining the pavement.

Farmers Branch Station Streets

\$268,200

This project provides for the construction of various public improvements within the Station Area. The total budget for this project is \$1,293,200. Supplemental funding is available in Non-Bond Utility Fund (\$450,000), DART Fund (\$450,000) and TIF #2 Fund (\$125,000). Operating Budget Impact: Reduced costs associated with maintaining the pavement.

NON-BOND FUND (continued)

2004-07 Street Reconstruction- Senlac Drive

\$1,885,000

This project provides for the reconstruction of Senlac Drive, from Diplomat Drive to Valwood Parkway. The total project budget is \$2,560,000. The water line improvements associated with the street reconstruction are partially funded in the Non-Bond Utility Fund (\$675,000). Operating Budget Impact: Reduced costs associated with maintaining the pavement.

HOTEL/MOTEL CAPITAL IMPROVEMENT FUND

Historical Park Bridge

\$154,101

This project was previously identified as "Future Projects." The Historical Park will be installing a new pedestrian bridge that will link the park to the DART Station Area and rose gardens. Funding for this increase is available from Hotel/Motel CIP fund balance. Operating Budget Impact: Minimal.

Historical Park Masterplan

\$30,000

The masterplan guides future development of the Park's programs and facilities. Specifically, the masterplan will focus on identifying programs, tours, and activities that can be offered at the Park, as well as developing design elements for a museum structure at the Park. Operating Budget Impact: Unknown until results of the masterplan are submitted to the City.

NON-BOND UTILITY FUND

Utility Replacement & Improvement

\$14,685,500

This project funds rehabilitation and replacement of water lines and sanitary sewers throughout the City. The budget increase from \$13,085,500 resulted from three factors. First, funding was continued an additional year through 2014-15. Second, funding was made available through a re-prioritization of projects in the Technology/Security Improvements. Third, after preliminary evaluation of the sewer lines conducted through the I & I program (see I & I Repairs), some of the repairs needed will be addressed through the annual utility replacement contract and funds were re-allocated accordingly. Operating Budget Impact: These improvements (1) reduce maintenance costs associated with sanitary sewer blockages; (2) reduce inflow and infiltration of ground water that increase wastewater treatment costs; and (3) reduce maintenance costs associated with water line breaks.

I & I Repairs

\$1,480,188

This is a yearly program that will provide for inflow and infiltration reduction improvements on the sanitary sewer system. Expenditures in future years will focus on identifying problems areas within the City so repairs can be made. The budget was decreased as a result of re-allocating a portion of the 2008-09 funding to the Utility Replacement and Improvement annual contract (see Utility Replacement and Improvement project above). Operating Budget Impact: These improvements reduce maintenance costs associated with reduce inflow and infiltration of ground water that increase wastewater treatment costs.

NON-BOND UTILITY FUND (continued)

Service Center Improvements

\$2,650,000

This budget provides for Service Center improvements associated with operation and maintenance of the water and sanitary sewer system. At this time, plans for the construction of the facility include half of the funding to be provided by the Non-Bond Utility Fund and the other half from short term bonds. Targeted funding level for this project in the Non-Bond Utility Fund is between \$5 and \$6 million by 2011-12. Funding has been increased to begin achieving this goal. Operating Impact: Unclear until project scope is identified.

Replace I-35/Valwood Lift Station

\$298,797

This project provides funding for the replacement of the existing lift station at the southeast corner of Valwood Parkway and I-35. Operating Budget Impact: Unclear until project scope is identified.

Sanitary Sewer Protection- Lost Valley (Farmers Branch Creek)

\$238,856

This project protects several hundred feet of unprotected sanitary sewer line along the banks. The budget has been decreased from \$251,045 based on final construction costs. Operating Budget Impact: reduces maintenance and repair costs; reduced risk to the City.

Motor/Pump/Tank Improvements

\$1,726,000

This project will rehabilitate and/or replace major components of the water distribution system. The improvements are focused on improving system reliability by lowering maintenance costs, reducing power outages, increasing efficiency, and extending the useful lives of equipment and facilities. The budget for this project has been increased from \$1,555,000 to provide an additional year of funding in 2014-15. Operating Budget Impact: Reduces maintenance costs.

Technology/Security Improvements

\$1,702,000

This project provides system-wide improvements to the water distribution system. The improvements consist of technology upgrades of system control, equipment and systems to continuously monitor water quality, and security improvements. The budget for this project has been decreased from \$1,947,534 based on a re-prioritization of projects. Funding through 2014-15 is still provided. Operating Budget Impact: The goal of the technology improvements is to automate and streamline processes that are currently done manually, which will increase reliability and may decrease costs related to testing the water system. However, some of the software will require maintenance and periodic updates. The security improvements may also reduce operational costs through the installation of security systems that can be accessed remotely via the Internet instead of requiring a manual check of the system. Until specific systems are in place for both security and technology upgrades, the impact on the operating budget is difficult to assess.

Sanitary Sewer Protection- Farmers Branch Creek

\$390,000

This project provides funding for maintaining and protecting the integrity of the sanitary sewer system in areas along Farmers Branch Creek where it is threatened by erosion or sedimentation. Operating Budget Impact: Reduced maintenance costs.

2004-07 Street Reconstruction: Senlac Drive

\$675,000

This project provides for water line improvements associated with the street reconstruction. The total project budget is \$3,000,000 with \$2,325,000 funded in the Non-Bond Fund. Operating Budget Impact: Reduced costs associated with maintaining the water/sewer lines.

NON-BOND UTILITY FUND (continued)

Benchmark Water/SS Line

\$393,000

This project provides for the construction of new water and sewer lines associated with the reconstruction of Benchmark Drive. The total project budget is \$1,100,000 with \$707,000 funded in the Certificates of Obligation 2006 Issue Fund. Operating Budget Impact: Reduced costs associated with maintaining the water/sewer lines.

Street Program- Water/SS Line Improvements:

\$807,000

The water line improvements associated with the street reconstruction program are partially funded in the Non-Bond Utility Fund. The budget has been increased from \$657,000 to provide funding in 2014-15. Operating Budget Impact: Reduced costs associated with maintaining the water/sewer lines.

Farmers Branch Station Streets

\$450,000

This project provides for the construction of various public improvements within the Station Area. The total budget for this project is \$1,293,200. Supplemental funding is available in Non-Bond Fund (\$268,200), DART Fund (\$450,000) and TIF #2 Fund (\$125,000). Operating Budget Impact: Reduced costs associated with maintaining the pavement.

DART LOCAL ASSISTANCE PROGRAM FUND

Valley View West

\$2,077,588

The roadway construction portion of this project, which widened Valley View Lane from 4 to 6 lanes between Nicholson and Luna Roads, has been completed. Median enhancements remain to be constructed. Operating Budget Impact: Increased costs associated with maintaining a portion of the plantings in the medians. A portion of the plantings will be maintained by the adjacent developer.

Incident Detection and Response Phase 2

\$630,000

This project provides for improved video monitoring, expanded automated travel time monitoring, expanded motorist communication and improved signal system. Operating Budget Impact: Minimal.

Traffic Signal Communications

\$400,000

This project provides for cable to be installed to connect the traffic signals west of Marsh Lane with fiber. This will have two benefits for the City. First, the City can eliminate the phone lines that have previously linked the traffic signals. Second, the fiber can also be used to connect City facilities, which will eliminate the need for a number of T1 switches. Operating Budget Impact: Substantially eliminate annual cost of T1 switches.

Luna/LBJ Traffic Signal

\$275,000

This project provides for the replacement of the existing traffic signal at LBJ Freeway and Luna Road. The location of several traffic signal poles is too close to the curb line and they have been struck numerous times by moving vehicles. In addition, many of the lights are in need of replacement. The project will also include installation of opticom system for public safety purposes. Operating Budget Impact: No additional impact.

DART LOCAL ASSISTANCE PROGRAM FUND (continued)

Incident Detection and Response Phase 3

\$300,000

This project provides for improved communication of traffic video and camera control data and an automated traffic congestion map of major Farmers Branch Streets. Currently, traffic video communication between City Hall and the camera locations is carried by the Cable television franchisee. The Cable system has proven to be unreliable and often provides poor quality images. Often camera control is not possible. A TxDOT grant will provide 80% of the project funding. The project requires \$40,000 of local matching funds.

Traffic Counts

\$30,000

This is a new project to collect updated traffic counts from the streets throughout the City. The last traffic count was completed 3-4 years ago. Operating Budget Impact: Impact is unknown until results of traffic count are finalized.

Midway/Beltwood Intersection Improvements

\$50,000

This project widens the Midway/Beltwood intersection. Currently, the turning radius is too small for truck traffic to drive without running over the curb. The traffic signal, streetlight, and other traffic devices are at risk of being struck by drivers maneuvering their trucks through the intersection. Operating Budget Impact: Minimal reduction due to ensuring safety of traffic devices.

DFW Rail Coalition

\$25,000

This project funds the City's participation in a regional rail coalition to further a proposal to develop regional rail service along the Burlington Northern (BN) rail line running through Farmers Branch, Irving, Frisco, and Carrollton. This funding will allow the coalition to hire a director that would coordinate efforts to secure approval, funding and support for the BN rail service.

Farmers Branch Station Streets

\$450,000

This project provides for the construction of various public improvements within the Station Area. The DART portion of the project has been increased to provide additional funds for construction. Funds from DART fund balance were re-allocated to provide funding for this increase. The total budget for this project is \$1,293,200. Supplemental funding is available in Non-Bond Fund (\$268,200), Non-Bond Utility Fund (\$450,000) and TIF #2 Fund (\$125,000). Operating Budget Impact: Reduced costs associated with maintaining the pavement.

TAX INCREMENT FINANCE DISTRICT #1

Mercer Boulevard

\$3,650,000

This project provides funding for the construction of a new street, Mercer Boulevard (previously named Westside Parkway) from Valley View Lane to Luna Road. The developer will be advancing funds for this project. Operating Budget Impact: Increased costs associated with maintaining the plantings in the medians until the property owners association, which will assume responsibility for maintenance of the landscaping, is created; economic growth is anticipated to result.

Lake Improvements: north of I-635

\$3,000,000

This project provides for a hydraulic analysis of the sump storage on the Westside and design of lake improvements that will be the focal point for Westside development. A developer will be providing advance funding for this project. Operating Budget Impact: Minimal; economic growth is anticipated to result.

TAX INCREMENT FINANCE DISTRICT #1 (continued)

"Peninsula Tract" improvements

\$3,000,000

This project provides for the construction of improvements on approximately 66 acres of land southwest of IH-635 and Luna Road. The improvements will include water distribution, sanitary sewer collection, and drainage systems; sidewalks and pathways; streets with enhanced pavement and pavement markings; streetlights and signage; traffic control devices; lake edge treatment; and landscaping and irrigation system in the medians and public areas. Funding for this project is available from TIF 1 funds. The developer will advance funds for design of Phase 2. Operating Budget Impact: Increased costs associated with maintaining the plantings in the medians until the property owners association, which will assume responsibility for maintenance of the landscaping, is created; economic growth is anticipated to result.

Development Signs

\$400,000

This project funds the construction of development signs for Mercer Crossing. The City will design and construct the signs. The developer will advance \$380,000 for this project. The TIF Fund will provide an additional \$20,000 necessary to complete the construction of the monuments. Operating Budget Impact: None.

Mercer Parkway Extension (Luna Road to I-35)

\$8,962,000

This project extends Mercer Parkway from Luna Road to I-35 and will also include median plantings, lighting, and utilities. The developer will advance funds for this project. Operating Budget Impact: Increased maintenance of medians and street pavement. However, this street will provide adequate infrastructure that will foster economic growth in the area.

Knightsbridge Road

\$6,973,000

This project funds the construction of a street that will connect Wittington Place to Luna Road. The project will also include lighting and installation of utilities. The developer will advance funds for this project. Operating Budget Impact: Increased maintenance of medians and street pavement. However, this street will provide adequate infrastructure that will foster economic growth in the area.

Bond Street

\$710,000

This project funds the construction of a street between Mercer Parkway and LBJ Freeway. The project also includes lighting and installation of utilities. The developer will advance funds for this project. Operating Budget Impact: Increased maintenance of medians and street pavement. However, this street will provide adequate infrastructure that will foster economic growth in the area.

East Lift Station

\$1,685,000

This project provides for improvements to the sanitary sewer collection system to allow for development on the eastern portion of the City's Westside. The developer will advance funds for this project. Operating Budget Impact: Increased maintenance of medians and street pavement. However, this street will provide adequate infrastructure that will foster economic growth in the area.

Luna Road Lift Station

\$650,000

This project provides for improvements to the sanitary sewer collection system to allow for development on the western portion of the City's Westside. A developer will be providing advance funding for this project. The total project budget is \$850,000. Supplemental funding is available in the Non Bond Utility Fund (\$200,000). Operating Budget Impact: See Non-Bond Utility Fund.

TAX INCREMENT FINANCE DISTRICT #1 (continued)

Lake Improvements: south of I-635

\$2,500,000

This new project provides for the design and construction of a lake located south of IH-635, east of Luna Road. A developer will be providing advance funding for this project.

TAX INCREMENT FINANCE DISTRICT #2

Farmers Branch Station Streets

\$125,000

This project provides for the construction of various public improvements within the Station Area. The total budget for this project is \$1,238,200. Supplemental funding is available in Non-Bond Fund (\$268,200), Non-Bond Utility Fund (\$450,000) and DART Fund (\$395,000). Operating Budget Impact: Reduced costs associated with maintaining the pavement.

Phase One Public Improvements/Enhancements

\$145,000

These funds are for the initial public infrastructure improvements, such as paving, drainage, and utilities, as well as other enhancements to the Station Area. The project has been completed and the budget has been reduced to provide assistance for the Farmers Branch Station Streets project.

STREET IMPROVEMENT/ANIMAL SHELTER BOND FUND

Animal Shelter

\$2,266,000

This project provides for the construction of a new Animal Shelter. The new shelter will include amenities designed to enhance adoptions, increase holding space, and improve kennel areas for the animals. An exercise yard, individual kennels, meet and greet room, and a drive through loading/unloading area are among the upgrades planned for the new facility. The total project budget (\$2,266,000) has been increased from \$1,866,000 based on bids received. Operating Impact: Unknown until the building comes online. No additional staff will be needed to operate the shelter but there could no change or even a savings associated with more efficient HVAC system and other energy efficient construction materials.

Webb Chapel Rd. Rehabilitation

\$3,052,000

This project provides for the rehabilitation of Webb Chapel Road from Southern Pines to IH 635. Work will include repairing broken pavement and resurfacing with asphalt. The budget has been reduced from \$3,462,000 based on bids received. Operating Budget Impact: Reduced costs associated with maintaining the pavement.

Midway Rd. Rehabilitation

\$1,675,000

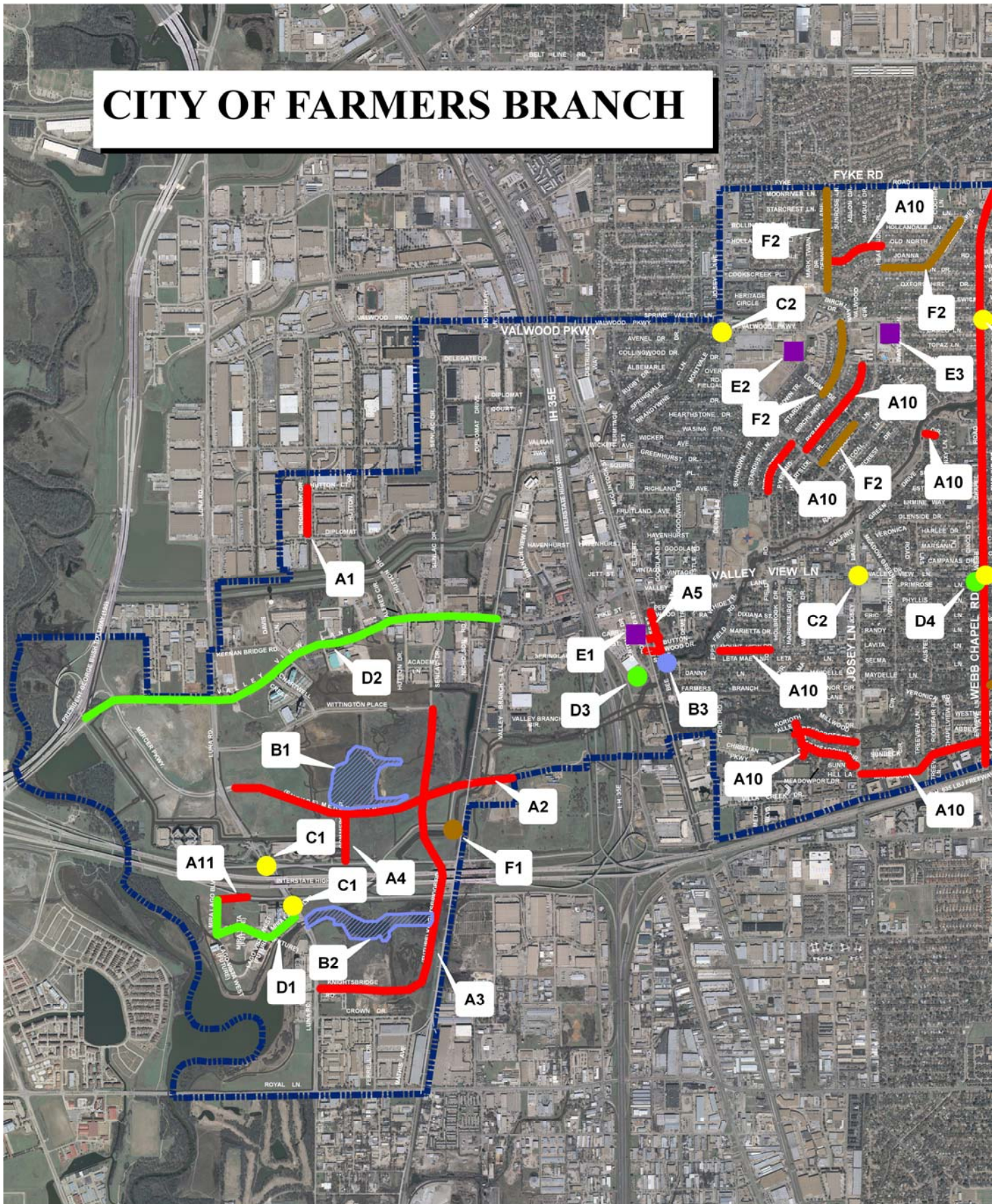
This project provides for the rehabilitation of Midway Road from IH 635 to Spring Valley Road. Work will include repairing broken pavement and resurfacing with asphalt. Operating Budget Impact: Reduced costs associated with maintaining the pavement.

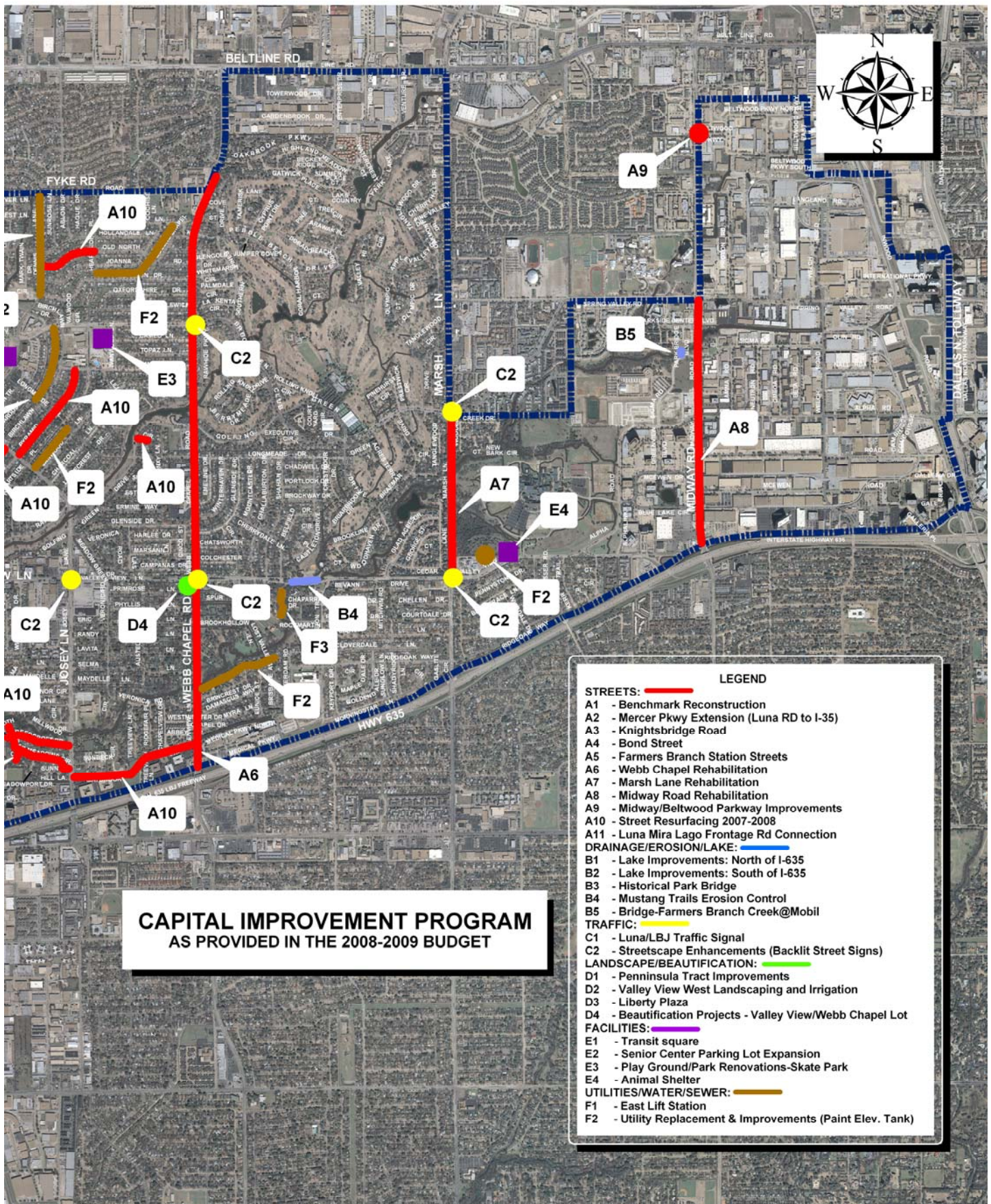
Benchmark Dr. Reconstruction

\$707,000

This project provides for the rehabilitation of Benchmark Drive from Hutton Court to Diplomat Drive. Work will include rebuilding pavement, driveway approaches, storm sewers, and sanitary sewer lines. Operating Budget Impact: Reduced costs associated with maintaining the pavement.

CITY OF FARMERS BRANCH





**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
SUMMARY
2008-09 ADOPTED BUDGET**

		PRIOR YEARS	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
<u>REVENUES</u>									
Non-Bond CIP Fund	\$ 86,062,235	72,235,635	276,100	1,668,100	1,901,700	2,137,300	2,384,300	2,631,200	2,827,900
Hotel/Motel CIP Fund	\$ 4,235,732	4,232,732	3,000						
Non-Bond Utility Fund	\$ 32,359,780	20,070,880	1,504,800	1,580,000	1,659,800	1,762,000	1,853,300	1,920,300	2,008,700
DART LAP Fund	\$ 25,179,403	25,179,403							
Tax Increment Finance District #1 Fund	\$ 41,441,849	31,254,509	7,994,476	695,597	730,375	766,892			
Tax Increment Finance District #2 Fund	\$ 498,824	324,502	40,445	42,467	44,590	46,820			
Street Improvement/Animal Shelter Bond F	\$ 7,869,484	7,700,000	159,345	3,280	3,379	3,480			
TOTAL REVENUES	\$ 197,647,308	160,997,661	9,978,166	3,989,445	4,339,845	4,716,492	4,237,600	4,551,500	4,836,600
<u>EXPENDITURES</u>									
Non-Bond CIP Fund	\$ 85,761,225	68,144,728	2,976,497	2,077,500	2,262,500	2,212,500	2,462,500	2,712,500	2,912,500
Hotel/Motel CIP Fund	\$ 4,235,733	4,081,632	154,101						
Non-Bond Utility Fund	\$ 32,064,903	14,881,825	2,696,078	2,587,000	1,550,000	2,200,000	3,500,000	2,500,000	2,150,000
DART LAP Fund	\$ 25,152,405	23,765,425	1,086,980	300,000					
Tax Increment Finance District #1 Fund	\$ 38,679,275	17,965,452	13,262,663	6,872,414	283,535	295,211			
Tax Increment Finance District #2 Fund	\$ 316,663	173,146	129,296	4,511	4,736	4,973			
Street Improvement/Animal Shelter Bond F	\$ 7,750,000	2,388,500	5,361,500						
TOTAL EXPENDITURES	\$ 193,960,203	131,400,707	25,667,115	11,841,425	4,100,771	4,712,685	5,962,500	5,212,500	5,062,500

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
NON-BOND CIP FUND
2008-09 ADOPTED BUDGET**

REVENUE SOURCES:

	PROJECT BUDGET	PRIOR YEARS	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Prior Years	\$ 4,240,303	4,240,303							
North Texas Tollway Authority	\$ 150,000	150,000							
Interest	\$ 8,363,901	8,024,801	163,600	55,600	39,200	24,800	21,800	18,700	15,400
Developer Contributions	\$ 1,687,000	1,687,000							
Fire Station #3 Reimbursement	\$ -	-							
Public Improvement District [1]	\$ 2,344,713	2,344,713							
DART Signal Reimbursement	\$ 150,000	150,000							
CDBG Funds	\$ 482,318	482,318							
Subtotal Revenues Excluding Transfers	\$ 17,418,235	17,079,135	163,600	55,600	39,200	24,800	21,800	18,700	15,400
<i>Transfer of General Fund Balance</i>									
Prior Years	\$ 15,141,000	15,141,000							
Fire Station #3	\$ 3,300,000	3,300,000							
Miscellaneous	\$ 1,000,000	1,000,000							
Subtotal Transfer of General Fund Balance	\$ 19,441,000	19,441,000							
<i>General Fund Transfers</i>									
Prior Years [2]	\$ 8,388,000	8,388,000							
Street Program Transfer [3]	\$ 27,568,000	14,818,000		1,500,000	1,750,000	2,000,000	2,250,000	2,500,000	2,750,000
Subtotal General Fund Transfers	\$ 35,956,000	23,206,000	-	1,500,000	1,750,000	2,000,000	2,250,000	2,500,000	2,750,000
<i>Departmental Transfers</i>									
Police Department	\$ 1,765,000	1,765,000							
(Remodel & Master Plan)	\$ 365,000	365,000							
Expansion Design and Construction	\$ 1,400,000	1,400,000							
Equipment Services	\$ 425,000	425,000							
Fire Department	\$ 3,318,500	3,318,500							
Fire Department	\$ 418,500	418,500							
Fire Station No. 3 & Administration Facility	\$ 2,900,000	2,900,000							
Parks & Recreation Department	\$ 3,226,000	3,226,000							
Playground/Park Renovations	\$ 687,500	250,000	62,500	62,500	62,500	62,500	62,500	62,500	62,500
Library	\$ 85,000	85,000							
Public Works Department	\$ 2,736,000	2,736,000							
Streets/Railroad Crossings	\$ 1,004,000	704,000	50,000	50,000	50,000	50,000	50,000	50,000	
Subtotal Departmental Transfers	\$ 13,247,000	12,509,500	112,500	112,500	112,500	112,500	112,500	112,500	62,500
TOTAL REVENUES:	\$ 86,062,235	72,235,635	276,100	1,668,100	1,901,700	2,137,300	2,384,300	2,631,200	2,827,900

PROJECTED EXPENDITURES

Completed Projects

Prior Years [2]	\$ 41,388,165	41,388,165							
Mallon Lake Improvements	\$ 169,577	169,577							
Traffic Signal: Valley View Lane & G. Bush Tollway	\$ 149,462	149,462							
1999-2000 St Recon. (N. Josey)	\$ 1,212	1,212							
2002-03 (Braemar Circle) [4]	\$ 406,823	406,823							
Oakbrook/Ken Rymer Park Amenities	\$ 1,265,012	1,265,012							
Fire Station No. 3 & Admin. Facility	\$ 6,154,746	6,154,746							
Sidewalks	\$ 100,000	100,000							

Current and Future Projects

Parks & Recreation Department									
Playground/Park Renovations	\$ 946,756	509,256	62,500	62,500	62,500	62,500	62,500	62,500	62,500

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
NON-BOND CIP FUND
2008-09 ADOPTED BUDGET**

	PROJECT BUDGET	PRIOR YEARS	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Miscellaneous Projects									
Mustang Trail Erosion Control	\$ 468,901	168,901	300,000						
Redevelopment Program	\$ 3,445,000	2,745,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Bridge-Farmers Branch Creek @ Mobil	\$ 300,000	-			300,000				
Rawhide Creek FEMA Study	\$ 185,100	185,100							
Transit Oriented Development	\$ 758,026	638,891	119,135						
Railroad Crossing Improvements	\$ 1,002,000	585,338	166,662	50,000	50,000	50,000	50,000	50,000	
CDBG Sidewalk (Bee Street)	\$ 149,382	149,382							
CDBG Sidewalk (Havenhurst)	\$ 83,820	83,820							
CDBG Sidewalk (Goodwater)	\$ 108,879	108,879							
Replace Pedestrian Bridge (near Templeton)	\$ 130,000	130,000							
Luna-Mira Lago Frontage Road Connection	\$ 712,569	712,569							
Railroad Crossing Signal Controllers (DART)	\$ 150,000	-	150,000						
Beautification Projects	\$ 200,000	-	200,000						
Liberty Plaza	\$ 430,000	200,000	230,000						
City Entryway Enhancements	\$ 50,000	50,000							
Transit Square	\$ 365,000	-		365,000					
Service Center Improvements	\$ -	-							
Senior Center Parking Lot Expansion	\$ 85,000	15,000	70,000						
Streetscape Enhancements	\$ 210,000	100,000	110,000						
Animal Shelter	\$ -								
Street Program									
Street Resurfacing	\$ 21,869,567	7,919,567	1,200,000	1,500,000	1,750,000	2,000,000	2,250,000	2,500,000	2,750,000
Street Reconstruction Projects									
2003-04 (Longmeade) [4]	\$ 1,323,028	1,323,028							
Farmers Branch Station Streets	\$ 268,200	-	268,200						
2004-07 (Senlac Drive, north of Diplomat) [4]	\$ 1,885,000	1,885,000							
TOTAL PLANNED EXPENDITURES:	\$ 84,761,225	67,144,728	2,976,497	2,077,500	2,262,500	2,212,500	2,462,500	2,712,500	2,912,500
Transfers Out	\$ 1,000,000	1,000,000							
TOTAL EXPENDITURES:	\$ 85,761,225	68,144,728	2,976,497	2,077,500	2,262,500	2,212,500	2,462,500	2,712,500	2,912,500
RESERVED FOR CONTINGENCIES:									
	\$ 301,010	4,090,907	1,390,510	981,110	620,310	545,110	466,910	385,610	301,010

[1] Funding is from savings resulting from the early payoff of public improvement district (PID) debt.

[2] A list of completed projects is available upon request.

[3] Funding in 2007-08 is from early payoff of PID debt.

[4] Supplemental funding provided in the Non-Bond Utility Fund for water and sanitary sewer line improvements associated with the street reconstruction.

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
HOTEL/MOTEL CIP FUND
2008-09 ADOPTED BUDGET**

REVENUE SOURCES:

Appropriated Fund Balance
Interest
Hotel/Motel Transfer from Non-Bond CIP
Hotel/Motel Transfers

PROJECT BUDGET	PRIOR YEARS	2008-09	2009-2010	2010-11	2011-12
\$ 200,199	200,199				
\$ 291,133	288,133	3,000	-	-	-
\$ 360,400	360,400				
\$ 3,384,000	3,384,000				
\$ 4,235,732	4,232,732	3,000	-	-	-

TOTAL REVENUES:

PROJECTED EXPENDITURES

Completed Projects

Prior Years [1]

Current and Future Projects

Historical Park Bridge
Historical Park Masterplan

\$ 4,051,632	4,051,632				
\$ 154,101		154,101			
\$ 30,000	30,000				
\$ 4,235,733	4,081,632	154,101			
\$ (0)	151,101	(0)	(0)	(0)	(0)

TOTAL EXPENDITURES:

RESERVED FOR CONTINGENCIES:

[1] A list of completed projects is available upon request.

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
NON-BOND UTILITY FUND
2008-09 ADOPTED BUDGET**

REVENUE SOURCES:

	PROJECT BUDGET	PRIOR YEARS	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Transfer from Water & Sewer Fund Operations [1]	\$ 22,699,346	10,799,346	1,400,000	1,500,000	1,600,000	1,700,000	1,800,000	1,900,000	2,000,000
Transfer from Water & Sewer Fund - Fund Balance	\$ 6,200,000	6,200,000							
Transfer from Sewer Interceptor Fund	\$ 259,069	259,069							
Interest	\$ 2,919,060	2,530,160	104,800	80,000	59,800	62,000	53,300	20,300	8,700
CDBG	\$ 282,305	282,305							
TOTAL REVENUES:	\$ 32,359,780	20,070,880	1,504,800	1,580,000	1,659,800	1,762,000	1,853,300	1,920,300	2,008,700

PROJECTED EXPENDITURES

Completed Projects

Prior Years [2]	\$ 6,290,454	6,290,455							
2003-04 St. Recon. (Longmeade)	\$ 350,000	350,000							
Sanitary Sewer Protection- FB Creek (Lost Valley)	\$ 238,856	238,856							
Mount View Water Line	\$ 50,000	50,000							

Current and Future Projects

Utility Replacement & Improvements	\$ 14,685,500	6,135,500	900,000	1,000,000	1,000,000	1,000,000	1,450,000	1,600,000	1,600,000
I & I Repairs	\$ 1,480,188	385,188	195,000	150,000	150,000	150,000	150,000	150,000	150,000
Service Center Improvements	\$ 2,650,000	150,000				650,000	1,500,000	350,000	
Replace I-35/Valwood Lift Station	\$ 298,797	298,797							
Motor/Pump/Tank Improvements	\$ 1,726,000	66,000	160,000	1,150,000	70,000	70,000	70,000	70,000	70,000
Technology/Security Improvements	\$ 1,702,000	252,000	320,000	230,000	180,000	180,000	180,000	180,000	180,000
Sanitary Sewer Protection- Farmers Branch Creek	\$ 390,000	111,922	278,078						
2004-07 St. Recon. (Senlac Drive, north of Diplomat)	\$ 675,000	675,000							
Benchmark Water/SS Line	\$ 393,000	0	393,000						
Farmers Branch Station Streets	\$ 450,000	0	450,000						
Street Program- Water/SS Line Improvements	\$ 807,000	0		57,000	150,000	150,000	150,000	150,000	150,000

TOTAL PLANNED EXPENDITURES:	\$ 32,186,795	15,003,718	2,696,078	2,587,000	1,550,000	2,200,000	3,500,000	2,500,000	2,150,000
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Transfers Out	\$ (121,893)	(121,893)							
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TOTAL EXPENDITURES:	\$ 32,064,902	14,881,825	2,696,078	2,587,000	1,550,000	2,200,000	3,500,000	2,500,000	2,150,000
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RESERVED FOR CONTINGENCIES:	\$ 294,878	5,189,055	3,997,777	2,990,777	3,100,577	2,662,577	1,015,877	436,177	294,877
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[1] Transfer from Water & Sewer operations. This is a planned use of fund balance for capital improvements.

[2] A list of completed projects is available upon request.

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
DART LOCAL ASSISTANCE PROGRAM FUND
2008-09 ADOPTED BUDGET**

	PROJECT BUDGET	PRIOR YEARS	2008-09	2009-10
REVENUE SOURCES:				
Dart Technical Assistance Program	\$ 243,912	243,912		
Dart Capital Assistance Program (CAP)	\$			
CAP Allocation (Not Yet Rec'd)	\$ 57,363	57,363		
CAP Allocation Received	\$ 8,910,239	8,910,239		
Valwood Improvement Authority	\$			
TxDOT Grant	\$ 708,162	708,162		
Interest (Operating Account)	\$ 503,717	503,717		
Dallas County	\$ 648,012	648,012		
Texas Comptroller	\$ 27,588	27,588		
DART Local Assistance Program (LAP)				
LAP Allocation (Not Yet Rec'd)	\$ 857,140	857,140		
LAP Allocation Received	\$ 13,223,270	13,223,270		
TOTAL REVENUES:	\$ 25,179,403	25,179,403		
PROJECTED EXPENDITURES				
TECHNICAL ASSISTANCE PROGRAM	\$ 159,997	159,997		
Completed Projects				
Prior Years [1]	\$ 122,344	122,344		
Subtotal Technical Assistance Program	\$ 282,341	282,341	-	
CAPITAL ASSISTANCE PROGRAM				
Completed Projects				
Prior Years [1]	\$ 20,632,475	20,632,475		
Current and Future Projects				
Valley View West	\$ 2,077,588	2,077,588		
Incident Detection and Response Phase 2	\$ 630,000	318,020	311,980	
Traffic Signal Communications	\$ 400,000	400,000		
Luna/LBJ Traffic Signal	\$ 275,000	-	275,000	
Incident Detection and Response Phase 3	\$ 300,000	-		300,000
Traffic Counts	\$ 30,000	30,000		
Midway/Beltwood Intersection Improvements	\$ 50,000	-	50,000	
DFW Rail Coalition	\$ 25,000	25,000		
Farmers Branch Station Streets/Transit Center	\$ 450,000	-	450,000	
TOTAL EXPENDITURES:	\$ 25,152,405	23,765,425	1,086,980	300,000
RESERVED FOR CONTINGENCIES:				
	\$ 26,998	1,413,978	326,998	26,998

[1] A list of completed projects is available upon request.

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
TAX INCREMENT FINANCE DISTRICT #1 FUND
2008-09 ADOPTED BUDGET**

	PROJECT BUDGET	PRIOR YEARS	2008-09	2009-2010	2010-11	2011-12
REVENUE SOURCES:						
Carrollton-Farmers Branch Independent School District	\$ 5,620,638	4,218,976	325,202	341,462	358,535	376,462
City of Farmers Branch	\$ 879,834	528,986	81,401	85,471	89,744	94,232
Dallas County Hospital District	\$ 432,413	257,348	40,617	42,648	44,780	47,019
Dallas County	\$ 263,414	176,521	20,160	21,168	22,227	23,338
Dallas County Community College District	\$ 136,942	79,473	13,334	14,000	14,700	15,435
Valwood Improvement Authority	\$ 142,157	79,356	14,571	15,299	16,064	16,867
Dallas Independent School District	\$ 29,484	19,970	2,207	2,318	2,433	2,555
Developer Advance	\$ 32,588,931	25,256,931	7,332,000			
Interest	\$ 1,348,036	636,948	164,984	173,231	181,890	190,983
TOTAL REVENUES:	\$ 41,441,849	31,254,509	7,994,476	695,597	730,375	766,892
PROJECTED EXPENDITURES						
Completed Projects						
Prior Years [1]	\$ 2,844,275	2,844,275				
Current and Future Projects						
City and School Administrative Fees	\$ 386,685	186,685	50,000	50,000	50,000	50,000
Developer Reimbursement [2]	\$ -	-				
Zone School Project Costs (CFBISD) [3]	\$ 3,655,180	2,744,099	211,381	221,951	233,048	244,700
Zone School Project Costs (DISD) [4]	\$ 2,323	420	441	464	487	511
Mercer Parkway	\$ 3,650,000	3,650,000				
Lake Improvements: north of I-635	\$ 3,000,000	1,305,473	1,694,527			
"Peninsula Tract" Improvements [5]	\$ 3,000,000	3,000,000				
Development Signs	\$ 400,000	400,000				
Mercer Parkway Extension (Luna to I-35)	\$ 8,962,000	847,400	5,214,600	2,900,000		
Knightsbridge Road	\$ 6,973,000	500,000	2,773,000	3,700,000		
Bond Street	\$ 710,000	110,000	600,000			
East Lift Station	\$ 1,685,000	405,000	1,280,000			
Luna Road Lift Station	\$ 650,000	650,000				
Lake Improvements: South of I-635	\$ 2,500,000	1,061,287	1,438,713			
TOTAL PLANNED EXPENDITURES:	\$ 38,418,463	17,704,640	13,262,663	6,872,414	283,535	295,211
Transfers Out	\$ 260,812	260,812				
TOTAL EXPENDITURES	\$ 38,679,275	17,965,452	13,262,663	6,872,414	283,535	295,211
RESERVED FOR CONTINGENCIES: [6]	\$ 2,762,575	13,289,057	8,020,870	1,844,053	2,290,894	2,762,575

[1] A list of completed projects is available upon request.

[2] Developer reimbursements to be based on provisions of Developer Agreements Nos. 1-8.

[3] Figures represent 65% of CFBISD revenue payment

[4] Figures represent 20% of DISD revenue payment

[5] Design for Phase 2 improvements were funded by Developer Advances.

[6] Does not include future projects, developer reimbursement, or overpayments/refunds.

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
TAX INCREMENT FINANCE DISTRICT #2 FUND
2008-09 ADOPTED BUDGET**

	PROJECT BUDGET	PRIOR YEARS	2008-09	2009-2010	2010-11	2011-12
REVENUE SOURCES:						
Carrollton- Farmers Branch Independent School District	\$ 111,565	49,842	14,320	15,036	15,788	16,578
City of Farmers Branch	\$ 93,789	38,938	12,726	13,362	14,031	14,732
Dallas County Hospital District	\$ 24,524	10,192	3,325	3,491	3,666	3,849
Dallas County	\$ 19,269	7,161	2,809	2,950	3,097	3,252
Dallas County Community College District	\$ 15,431	6,298	2,119	2,225	2,336	2,453
Non-Bond CIP Fund Advance	\$ 200,000	200,000				
Interest [1]	\$ 34,246	12,070	5,145	5,402	5,672	5,956
TOTAL REVENUES:	\$ 498,824	324,502	40,445	42,467	44,590	46,820
PROJECTED EXPENDITURES						
Completed Projects						
Prior Years [2]	\$ 14,943	14,943				
Current and Future Projects						
Debt Service	\$					
Zone School Project Costs [3]	\$ 31,720	13,203	4,296	4,511	4,736	4,973
Farmers Branch Station Streets	\$ 125,000	-	125,000			
Phase One Public Imp./Enhancements [4]	\$ 145,000	145,000				
TOTAL PLANNED EXPENDITURES:	\$ 316,663	173,146	129,296	4,511	4,736	4,973
Transfers Out						
TOTAL EXPENDITURES	\$ 316,663	173,146	129,296	4,511	4,736	4,973
RESERVED FOR CONTINGENCIES:	\$ 182,161	151,356	62,504	100,460	140,314	182,161

[1] Includes bond premiums, interest income, and accrued interest

[2] A list of completed projects is available upon request.

[3] Figures represent 30% of CFBISD revenue payment

[4] Includes funding for Farmers Branch Station streets.

CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
STREET IMPROVEMENT/ANIMAL SHELTER BOND FUND
2008-09 ADOPTED BUDGET

REVENUE SOURCES:

	PROJECT BUDGET	PRIOR YEARS	2008-09	2009-2010	2010-11	2011-12
Bond Proceeds	\$ 7,700,000	7,700,000				
Interest	\$ 169,484		159,345	3,280	3,379	3,480
TOTAL REVENUES:	\$ 7,869,484	7,700,000	159,345	3,280	3,379	3,480

PROJECTED EXPENDITURES

Current and Future Projects

Animal Shelter	\$ 2,266,000	900,000	1,366,000			
Street Rehabilitation						
Webb Chapel Road	\$ 3,052,000	788,500	2,263,500			
Midway Road	\$ 1,675,000	500,000	1,175,000			
Street Reconstruction						
Benchmark Drive	\$ 707,000	150,000	557,000			
Bond Issuance Costs	\$ 50,000	50,000				
TOTAL PLANNED EXPENDITURES:	\$ 7,750,000	2,388,500	5,361,500			
Transfers Out						
TOTAL EXPENDITURES	\$ 7,750,000	2,388,500	5,361,500			
RESERVED FOR CONTINGENCIES:	\$ 119,484	5,311,500	109,345	112,625	116,004	119,484

COMBINED SUMMARY OF ESTIMATED REVENUES, EXPENDITURES AND FUND BALANCES - SELECT FUNDS

2008-09 ADOPTED FISCAL YEAR BUDGET

	GENERAL FUND	FIXED ASSET FUND	WATER & SEWER FUND	HOTEL/ MOTEL FUND
UNALLOCATED RESERVE 9/30/2007	(1) \$ 8,632,983	\$ 1,152,337	\$ 2,194,640	\$ 1,781,670
2007-08 ESTIMATED REVENUES	\$ 43,080,200	\$ 2,095,700	\$ 13,307,400	\$ 2,450,800
2007-08 ESTIMATED EXPENDITURES	<u>44,262,000</u>	<u>2,622,700</u>	<u>13,710,700</u>	<u>2,548,200</u>
ADDITION TO (USE OF) FUND BALANCE SUB-TOTAL	<u>\$ (1,181,800)</u>	<u>\$ (527,000)</u>	<u>\$ (403,300)</u>	<u>\$ (97,400)</u>
SPECIAL EXPENDITURES				
TRANSFER IN DESIGNATED FUND BALANCE	\$ 470,500	\$	\$	\$
SPECIAL INCENTIVE LIABILITY REDUCTION	(470,500)			
DESIGNATION FOR FUTURE PURCHASES		135,400		
ADDITION TO (USE OF) FUND BALANCE	<u>\$ (1,181,800)</u>	<u>\$ (662,400)</u>	<u>\$ (403,300)</u>	<u>\$ (97,400)</u>
ESTIMATED UNALLOCATED RESERVE 9/30/2008	<u>\$ 7,451,183</u>	<u>\$ 489,937</u>	<u>\$ 1,791,340</u>	<u>\$ 1,684,270</u>
2008-09 ESTIMATED REVENUES	\$ 44,690,900	\$ 1,938,800	\$ 14,846,500	\$ 2,474,300
2008-09 ESTIMATED EXPENDITURES	<u>44,389,900</u>	<u>1,948,400</u>	<u>14,518,700</u>	<u>2,830,300</u>
ADDITION TO (USE OF) FUND BALANCE SUB-TOTAL	<u>\$ 301,000</u>	<u>\$ (9,600)</u>	<u>\$ 327,800</u>	<u>\$ (356,000)</u>
SPECIAL EXPENDITURES				
TRANSFER IN DESIGNATED FUND BALANCE	\$ 55,100	\$	\$	\$
SPECIAL INCENTIVE LIABILITY REDUCTION	(255,100)			
ADDITION TO (USE OF) FUND BALANCE	<u>\$ 501,000</u>	<u>\$ (9,600)</u>	<u>\$ 327,800</u>	<u>\$ (356,000)</u>
ESTIMATED UNALLOCATED RESERVE 9/30/2009	<u>\$ 7,952,183</u>	<u>\$ 480,337</u>	<u>\$ 2,119,140</u>	<u>\$ 1,328,270</u>
TARGET BALANCES	\$ 8,609,180 (2)	\$ 300,000	\$ 2,000,000	\$ 500,000

This chart illustrates a partial listing of select major operating funds of the City. The chart is used to quickly compare revenues, expenditures, and fund balances for the budget year with the prior year. Special expenditures are one-time uses of fund balance, which were approved by the City Council consistent with fund balance target objectives.

(1) Actual per 9/30/07 Comprehensive Annual Financial Report.

(2) The General Fund target balance has been adjusted for \$1,344,000 of General Fund fixed asset transfers. The target balance represents a 75-day reserve.

**MOST REALISTIC SCENARIO
COMBINED SUMMARY OF ESTIMATED REVENUES,
EXPENDITURES AND FUND BALANCES - SELECT FUNDS**

2008-09 ADOPTED FISCAL YEAR BUDGET

		GENERAL FUND	FIXED ASSET FUND	WATER & SEWER FUND	HOTEL/ MOTEL FUND
UNALLOCATED RESERVE 9/30/2007	(1)	\$ 8,632,983	\$ 1,152,337	\$ 2,194,640	\$ 1,781,670
2007-08 ESTIMATED REVENUES		\$ 43,080,200	\$ 2,095,700	\$ 13,307,400	\$ 2,450,800
2007-08 ESTIMATED EXPENDITURES		<u>43,962,000</u>	<u>2,622,700</u>	<u>13,635,700</u>	<u>2,498,200</u>
ADDITION TO (USE OF) FUND BALANCE SUB-TOTAL		<u>\$ (881,800)</u>	<u>\$ (527,000)</u>	<u>\$ (328,300)</u>	<u>\$ (47,400)</u>
SPECIAL EXPENDITURES					
TRANSFER IN DESIGNATED FUND BALANCE		\$ 470,500	\$	\$	\$
SPECIAL INCENTIVE LIABILITY REDUCTION		(470,500)			
DESIGNATION FOR FUTURE PURCHASES			135,400		
ADDITION TO (USE OF) FUND BALANCE		<u>\$ (881,800)</u>	<u>\$ (662,400)</u>	<u>\$ (328,300)</u>	<u>\$ (47,400)</u>
ESTIMATED UNALLOCATED RESERVE 9/30/2008		<u>\$ 7,751,183</u>	<u>\$ 489,937</u>	<u>\$ 1,866,340</u>	<u>\$ 1,734,270</u>
2008-09 ESTIMATED REVENUES		\$ 44,690,900	\$ 1,938,800	\$ 14,846,500	\$ 2,474,300
2008-09 ESTIMATED EXPENDITURES		<u>44,089,900</u>	<u>1,948,400</u>	<u>14,368,700</u>	<u>2,780,300</u>
ADDITION TO (USE OF) FUND BALANCE SUB-TOTAL		<u>\$ 601,000</u>	<u>\$ (9,600)</u>	<u>\$ 477,800</u>	<u>\$ (306,000)</u>
SPECIAL EXPENDITURES					
TRANSFER IN DESIGNATED FUND BALANCE		\$ 55,100	\$	\$	\$
SPECIAL INCENTIVE LIABILITY REDUCTION		(255,100)			
ADDITION TO (USE OF) FUND BALANCE		<u>\$ 801,000</u>	<u>\$ (9,600)</u>	<u>\$ 477,800</u>	<u>\$ (306,000)</u>
ESTIMATED UNALLOCATED RESERVE 9/30/2009		<u>\$ 8,552,183</u>	<u>\$ 480,337</u>	<u>\$ 2,344,140</u>	<u>\$ 1,428,270</u>
TARGET BALANCES		\$ 8,549,180 (2)	\$ 300,000	\$ 2,000,000	\$ 500,000

This chart illustrates a partial listing of select major operating funds of the City. The chart is used to quickly compare revenues, expenditures, and fund balances for the budget year with the prior year. Special expenditures are one-time uses of fund balance, which were approved by the City Council consistent with fund balance target objectives.

(1) Actual per 9/30/07 Comprehensive Annual Financial Report.

(2) The General Fund target balance has been adjusted for \$1,344,000 of General Fund fixed asset transfers. The target balance represents a 75-day reserve.

**GENERAL FUND
SIX-YEAR FINANCIAL PLAN
OVERVIEW**

In accordance with the City's financial policies, the 2008-09 budget was developed in the context of long-range financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenues and expenses. A six-year projection plan has been developed for the City's General Fund. The plan presents the fund over eight fiscal years: two previous years and six projected years. There are many benefits to these plans. First, the plan gives staff and Council a valuable perspective when considering budgets within the planned six-year horizon. Second, the plan enables staff and Council to understand the "compounding" effect of revenue and expenditure decisions made over time.

Major assumptions have been footnoted on the six-year financial plan. Annual increase projections for each revenue or expenditure category are shown in a column entitled "Proj % Yr 2-6". This column refers to projection assumptions for Years 2-6 of the financial plan.

**General Fund Six-Year Financial Plan
City of Farmers Branch**

	Proj % Yr 2-6	Actual 2006-2007	Est Actual 2007-2008	Year 1 Projected 2008-2009	Year 2 Projected 2009-2010	Year 3 Projected 2010-2011	Year 4 Projected 2011-2012	Year 5 Projected 2012-2013	Year 6 Projected 2013-2014
Beginning Fund Balance		\$13,536,718	\$9,417,215	\$6,926,651	\$7,172,551	\$7,367,849	\$7,538,564	\$7,699,688	\$7,867,151
Revenues:									
Sales tax	3.0%	\$12,427,585	\$12,260,200	\$12,660,200	\$13,040,006	\$13,431,206	\$13,834,142	\$14,249,167	\$14,676,642
Property tax	5.0%	14,291,799	16,975,000	17,775,000	19,963,750	20,961,938	22,010,034	23,110,536	24,266,063
Franchise tax	3.0%	4,589,405	4,623,000	4,973,000	5,122,190	5,275,856	5,434,131	5,597,155	5,765,070
Licenses and permits	3.0%	847,741	757,000	817,000	841,510	866,755	892,758	919,541	947,127
Charges for services	3.0%	4,796,887	4,599,500	4,616,200	4,754,686	4,897,327	5,044,246	5,195,574	5,351,441
Fines and forfeitures	3.0%	2,616,722	2,423,000	2,627,000	2,705,810	2,786,984	2,870,594	2,956,712	3,045,413
Investment income	3.0%	1,026,931	986,000	1,083,000	1,115,490	1,148,955	1,183,423	1,218,926	1,255,494
Miscellaneous	3.0%	124,992	456,500	139,500	143,685	147,996	152,435	157,008	161,719
Total Revenues		\$40,722,062	\$43,080,200	\$44,690,900	\$47,687,127	\$49,517,016	\$51,421,765	\$53,404,619	\$55,468,968
Expenditures:									
Personal services	4.0%	\$30,259,254	\$33,310,100	\$33,376,800	\$34,711,872	\$36,100,347	\$37,544,361	\$39,046,135	\$40,607,981
Professional services	2.0%	1,187,150	1,377,500	1,141,200	1,164,024	1,187,304	1,211,051	1,235,272	1,259,977
Supplies	2.0%	1,896,576	2,098,800	2,159,300	2,202,486	2,246,536	2,291,466	2,337,296	2,384,042
Repair & maintenance	2.0%	3,846,797	3,884,400	3,845,100	3,922,002	4,000,442	4,080,451	4,162,060	4,245,301
Services	2.0%	3,431,262	3,745,500	4,134,300	4,216,986	4,301,326	4,387,352	4,475,099	4,564,601
Production & disposal	2.0%	280,648	289,200	335,400	342,108	348,950	355,929	363,048	370,309
Contracts	0.0%	191,000	192,000	208,500	208,500	208,500	208,500	208,500	208,500
Christmas	1.0%	86,239	118,200	118,200	119,382	120,576	121,782	122,999	124,229
Other	2.0%	836,651	1,226,600	758,700	773,874	789,351	805,139	821,241	837,666
Transfers - Fixed Assets	3.0%	1,950,500	1,400,700	1,344,000	1,384,320	1,425,850	1,468,625	1,512,684	1,558,064
Transfers - Utility/HM Fund	2.5%	(3,932,417)	(3,048,000)	(3,089,000)	(3,166,225)	(3,245,381)	(3,326,515)	(3,409,678)	(3,494,920)
Transfers - Other		0	0	0	0	0	0	0	0
Transfers - CIP/Erosion & Street Prgm		175,000	0	0	1,500,000	1,750,000	2,000,000	2,250,000	2,500,000
Transfers - CIP/Long Range Plan		4,300,000	0	0	0	0	0	0	0
Transfers - CIP/Other		137,500	137,500	112,500	112,500	112,500	112,500	112,500	112,500
Total Expenditures		\$44,646,160	\$44,732,500	\$44,445,000	\$47,491,829	\$49,346,301	\$51,260,640	\$53,237,156	\$55,278,250
Ending Fund Balance		\$9,612,620	\$7,764,915	\$7,172,551	\$7,367,849	\$7,538,564	\$7,699,688	\$7,867,151	\$8,057,869

	Actual 2006-2007	Est Actual 2007-2008	Year 1 Projected 2008-2009	Year 2 Projected 2009-2010	Year 3 Projected 2010-2011	Year 4 Projected 2011-2012	Year 5 Projected 2012-2013	Year 6 Projected 2013-2014
Calculation of available funds								
Ending Fund Balance	\$9,612,620	\$7,764,915	\$7,172,551	\$7,367,849	\$7,538,564	\$7,699,688	\$7,867,151	\$8,057,869
90-Day Requirement	\$9,555,165	\$10,651,550	\$10,775,250	\$11,151,877	\$11,542,613	\$11,948,004	\$12,368,618	\$12,805,046
75-Day Requirement	\$7,644,132	\$8,521,240	\$8,620,200	\$8,921,502	\$9,234,090	\$9,558,403	\$9,549,591	\$9,540,515
60-Day Requirement	\$6,367,562	\$7,098,193	\$7,180,627	\$7,431,611	\$7,691,997	\$7,962,150	\$7,954,810	\$7,947,249
45-Day Requirement	\$4,777,583	\$5,325,775	\$5,387,625	\$5,575,939	\$5,771,306	\$5,974,002	\$6,184,309	\$6,402,523
Staffing variable								
Full time equivalent positions	448	460	437	437	437	437	437	437
Average cost per FTE	\$67,543	\$72,413	\$76,377	\$79,432	\$82,609	\$85,914	\$89,350	\$92,924

Assumptions:

Personal Services 4% increase includes 1% for merit (@3% level), 1% for health insurance increases (@15% annual increase level), and 2% for across-the-board increases.

Final PID abatement added back to rolls in FY '10 - revenue of \$900K.

FINANCIAL TRENDS

I. Introduction

This is the City of Farmers Branch's twenty-first annual review of its financial condition. This annual review is based on the International City Management Association's (ICMA) publication and software application entitled Evaluating Financial Condition. This report identifies positive and negative indicators as they impact the City's financial condition. Three funds have been analyzed: the General Fund, Water & Sewer Fund, and Special Revenue Fund.

This program recognizes various factors that affect the City's financial health. The City may control some factors; others are external factors that the City must respond to and make adjustments. Response and adjustment are better planned if early trends are detected. This study will assist in identifying early trends.

The format for this discussion of the various indicators in the following pages includes three sections: Description, Analysis, and Conclusion. Definitions follow for each section.

Description: Discussion of indicator in terms of the financial and environmental factors used in computing the indicator.

Analysis: Evaluation of data using trend analysis. The indicator is examined over a multi-year review period. This section provides information on how fast the indicator is changing and in which direction.

Conclusion: Discussion of analysis results and whether a potential problem exists or might exist in the near future.

As used in this study, financial conditions can be broadly defined as the City's ability to finance services on a continuing basis. More specifically, financial condition refers to the City's ability to:

- maintain existing service levels;
- withstand local and regional economic disruption;
- meet demands of natural growth, decline and change; and,
- meet the growing needs for capital improvements and service levels in a manner that balances the desires for services with available revenues.

Efforts by the City to evaluate its financial condition present a complex problem. Relationships between some factors are difficult to observe. Some are more important than others, but often, this cannot be determined until all factors have been assembled. Revenues may be higher than ever and may be exceeding expenditures. However, this may not consider inflation or that certain programs have been deferred. The interrelationship between capital expenditures and operating expenditures is not always readily apparent. For example, certain capital expenditures will have the effect of reducing operating expenses. Those operating expenses saved may be available for debt service on capital expenditures. On the other hand, capital expenditures may require service and maintenance that increases the operating budget at the same time the City is attempting to meet debt service requirements. Failure to recognize the interrelationship between capital expenditures and debt service either as a positive or a negative factor may lead to improper decisions.

Not all factors or indicators presented in the ICMA publication are included in this study. Some indicators were excluded as proper data was not available or reliable. As part of a multi-year analysis of financial trends, it is appropriate to review and evaluate the City's financial position relative to the financial objectives set by the City Council. The objectives set by the City Council are:

General Governmental

- *Objective One* is to formulate future budgets so that no use of fund balance will be required in the final operating results.
- *Objective Two* is to provide sufficient funds to maintain the City's streets in terms of pavement structure, rideability and appearance in accordance with the following schedule:

Reconstruction	1 Lane-Mile
Resurfacing	11 Lane-Miles
Repair	3,250 Square Yards
Seal	25 Lane-Miles

The schedule for reconstruction and resurfacing is intended to be a yearly average over four years (in any given year the number of lane-miles of reconstruction and resurfacing will vary).

- *Objective Three* is to provide, from operating revenues, funding for new major capital improvement projects consistent with the future capital projects plan.
- *Objective Four* is to follow a pay-as-you-go capital financing strategy.

Water & Sewer

- *Objective One* is to maintain a self-sufficient Water & Sewer Fund so as to avoid General Fund subsidies.
- *Objective Two* is to provide, from Water & Sewer operating revenues, funding for new capital projects consistent with a long-range capital projects plan.
- *Objective Three* is to provide for reinvestment in the existing water and sewer system with current operating revenues. The target level of funding is equal to the annual depreciation in the Water & Sewer Fund.
- *Objective Four* is to provide for Water & Sewer rate increases when necessary to cover cost increases to the City.

II. CONSUMER PRICE INDEX (C.P.I. TABLE) & DEBT SERVICE TABLES

The following table reflects the consumer price index (C.P.I.) used in analyzing several financial trend indicators. This index assists in evaluating the effects of inflation on a government's budget.

The base year for this study is 1983, which has a consumer price index of 100.7.

Consumer Price Index (C.P.I.)

YEAR	CPI	% Change
1984	105.0	-
1985	108.3	3.1%
1986	110.2	1.8%
1987	115.0	4.4%
1988	119.8	4.2%
1989	125.0	4.3%
1990	132.7	6.2%
1991	137.2	3.4%
1992	141.3	3.0%
1993	145.1	2.7%
1994	149.4	3.0%
1995	153.2	2.5%
1996	157.8	3.0%
1997	161.2	2.2%
1998	163.6	1.5%
1999	167.9	2.6%
2000	173.7	3.5%
2001	178.3	2.6%
2002	181.0	1.5%
2003	185.2	2.3%
2004	189.9	2.5%
2005	198.8	4.7%
2006	202.9	2.6%
2007	208.5	3.1%
2008	214.9	3.1% Estimate

CPI's are as of September.

Debt Service

Year Ending	Debt Service Requirements CP&I	Interest on Bond Proceeds Used for Debt Service	Debt Service Funded by Property Tax
1990	\$6,104,000	\$775,000	\$5,329,000
1991	5,046,000	550,000	4,496,000
1992	5,130,000	750,000	4,380,000
1993	5,112,051	800,000	4,312,051
1994	4,783,116	839,700	3,943,416
1995	4,224,728	289,000	3,935,728
1996	4,124,728		4,124,727
1997	3,622,680		3,622,680
1998	3,832,180		3,832,180
1999	3,764,793		3,764,793
2000	3,706,378		3,706,378
2001	3,656,968		3,656,978
2002	3,598,098		3,598,098
2003	3,537,152		3,537,152
2004	3,299,747		3,299,747
2005	3,250,208		3,250,208
2006	3,222,158		3,222,158
2007	3,194,808		3,194,808
2008	2,166,742		2,166,742
2009	2,159,850		2,159,850
2010	1,920,845		1,920,845
2011	1,916,378		1,916,378
2012	1,919,523		1,919,523

III. Financial Trends Monitoring System - Executive Summary

General Fund:

Revenues

Overall, revenues (including debt service) from 1998 to 2007 showed an average annual growth of 1.51%. A significant increase in constant dollar revenues occurred in 1998 (5.4%), and 2000 (5%) due primarily to an increase in property values, sales taxes and landfill revenues. In 2007, actual revenues increased by 2.62% and decreased slightly by 0.13% on a constant dollar basis when compared to 2006.

Growth in revenues continues to be an important factor in funding increased costs such as fuel, utilities and insurance. Of particular concern, is the overall decline in constant dollar adjusted net operating revenues from 2002 to 2007. The largest decline in revenues has been sales tax; 2002-2003 saw the largest decrease of 14.7% (2001-2002 sales tax was \$11.6M compared to 2002-2003 which was at \$10.0M). In 2006-2007 sales tax revenues increased by 10.0% when compared to 2005-2006 actual sales tax revenue. However 2006-2007 was \$1.3M less than 2000-2001 actual sales tax revenue. Property tax revenues (excluding debt services) increased for the third consecutive time in five years by 6.9% (from 2003 to 2007). 2007-2008 property tax revenues are expected to increase by 19.0%.

Expenditures

Overall, operating expenditures have generally increased 3.3% per year during the review period of 1998 to 2007 in current dollars. When examined in constant dollars, operating expenditures have remained relatively flat, only increasing an annual average of 0.64% from 1998 to 2007. Due to the economic slowdown in 2001, the City responded to decreasing revenues by cutting expenditures. The effect of reduced revenues from sales tax and property tax prompted the City to utilize fund balances in 2002, 2003 and 2004. However the 2008 adopted budget provides for a "balanced" budget. Expenditures, in constant dollars for 2001-2002 were actually 0.65% less than 2000-2001. Expenditures, in constant dollars, for 2006-2007 were 2.6% less than 2000-2001. The expenditures referred to include debt services payments, but exclude General Fund Expenditures for capital improvement projects (CIP).

Debt Service

Debt service requirements are declining and expected to continue in decline. Debt service requirements in 2007 represent 7.5% of net operating revenues compared with 9.7% of net operating revenues in 1998. Decreases in debt service requirements (as a percentage of operating revenues) are attributed to several factors, including, advance refunding of bonds in 1993, 2002 and 2003, and the policy of funding all capital expenditures (except hotel/motel related) from operating revenues rather than incurring additional debt.

Property Values

Property values increased for 2008 (a 9% increase compared to 2007). From 1999 to 2008 the trend has been positive with an annual average increase of 2.4% in current dollars and a slight decrease of 0.29% in constant dollars. In 2008, property values are 11% below 1999 values in constant dollars. Growth in property values is a key indicator of financial health of a city.

Property Tax Revenues

Property tax revenues represent one of the largest sources of revenues for the City and are used to fund operations in the General Fund and to pay off bonds in the Debt Service Fund. In the General Fund alone, 2007 property taxes (excluding debt service) are \$14.1 million. In 2003-2004, the property tax rate was increased by two cents per \$100 to compensate for the declining property values. 2007-2008 property tax revenues (including

debt service) are projected to increase by 5.9% in constant dollars. Property tax revenues (including debt service) from 1998 through 2007 have increased on an average annual basis by 3.77% (in current year dollars.)

Water & Sewer Fund:

Revenues

In 1998, 1999, and 2000 these revenues increased due to the hot and dry summers, as well as a 300 customer increase in the number of commercial customers. Since 1995, the Water & Sewer Fund has remained self-sufficient. Year-to-year revenue fluctuations are due to weather patterns, which affect water sales, and an increase in commercial accounts and commercial consumption.

Expenditures

From 1998 to 2007, net operating expenditures (for Water and Sewer) have increased in current dollars by an annual average of 4.65%, and when examined in constant dollars, operating expenditures have increased slightly by 2.0% over the same time frame. Year-to-year fluctuations are primarily due to weather patterns, which affect water demand. In 2007 the City of Farmers Branch paid off outstanding Public Improvement District debt.

User Charge Coverage

User charge coverage refers to whether fees and charges cover the entire cost of providing utility services including depreciation and transfers. User charge coverage differs from revenue bond ratio coverage requirements that do not include depreciation and transfers in the coverage calculation. User charge coverage calculations were sufficient to meet the 100% coverage requirement in 1998 thru 2002 and 2005, but declined to 98.95% in 2003 due to high rainfall patterns. Due to unusually high rainfall, 2007 user coverage was the lowest user coverage percent in the ten-year period at 77.33%. Farmers Branch does not have a revenue bond ratio average requirement as all water and sewer bonds have been paid off.

Overall Conclusion:

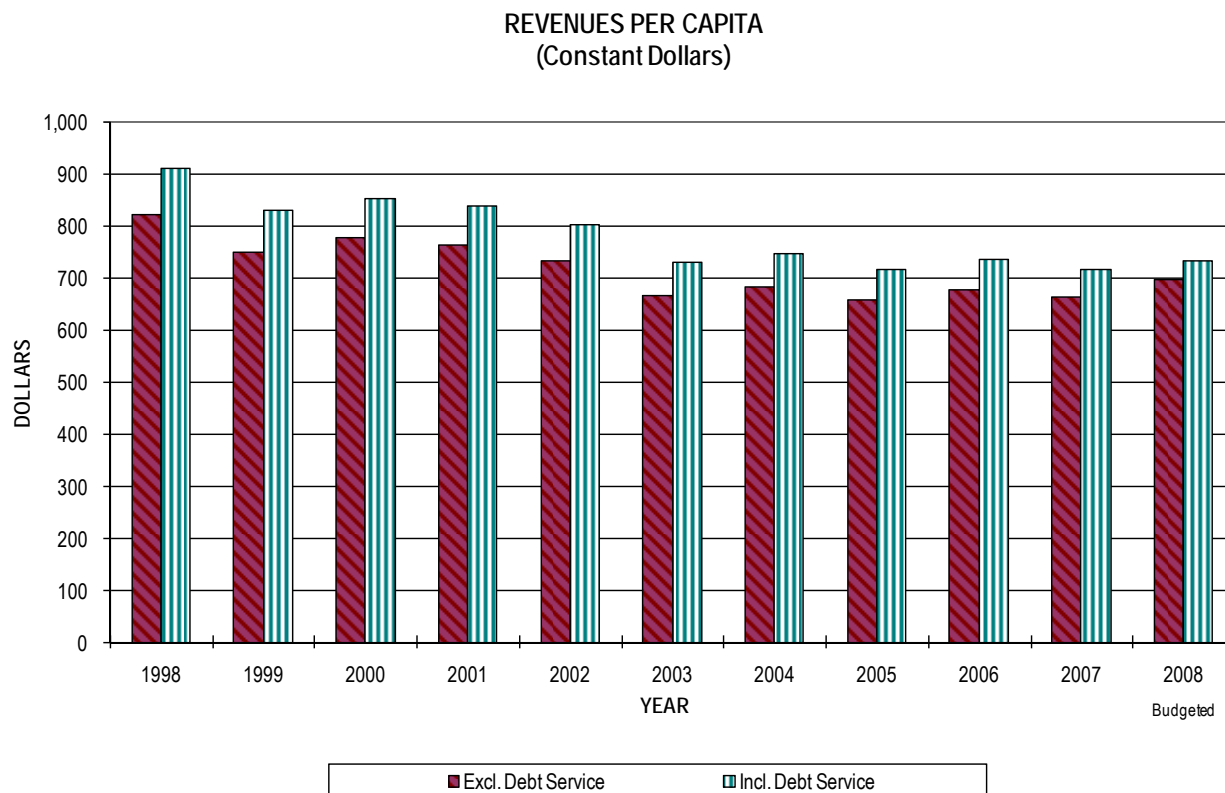
While this report primarily covers the period from 1998 to 2008, trends prior to that period have also been reviewed. This year marks the eighth year that this financial analysis covers at least a 10-year period.

The financial trends show fundamental change in both revenues and expenditures. A major change began in fiscal year 2000-2001 when net operating revenues, in constant dollar basis, began to decline. The economic downturn in 2001 has prompted the City to reduce expenditures in association with the reduction of revenues. This decline stabilized in the 2004-2005 fiscal year and continued thru the 2006-2007 fiscal year with an increase of 2.62% over the previous year, but still below 2000-2001 levels on a constant dollar basis.

In 1989, property values were at an all time high. Property values decreased in real dollars every year from 1989 to 1994. Even with a property tax rate increase, revenues for the City were relatively flat from 1990 to 1993 and declined when adjusted to constant dollars. Beginning in 1995, property values started to increase in constant dollars, but even with increases in property values from 1998 to 2008, these values are still below the 1989 all time high levels in constant dollars. Current property values are lower than 1990 values when adjusted to constant dollars.

Expenditures, in constant dollars, overall have increased only 0.64%, since 1998. Spending clearly shows a shift in financing strategy. Capital spending from the General Fund increased from zero dollars (\$0) in 1990 to \$2.4 million in 2003. Because of the economic downturn capital expenditures in 2005 and 2006 were only \$633,500 and \$137,500 respectively. In 2007 the City's capital expenditures were \$4,300,000, mainly for the new fire station #3 and road improvements. The expenditures for the fire station and road improvements were from a one-time use of fund balance. Continued reduction in capital spending from the general fund, as a result of the economic downturn, may require a return to debt financing in order to adequately maintain the city's infrastructure. The total capital improvement transfers from 1990 to 2007 have equaled \$38 million. When this capital spending is factored out, the operating expenses for the City decreased 1.05% compared to the 1990 level in constant dollars.

The financial trends show a fundamentally solid financial picture with revenue trends continuing in a positive direction while expenditures for operations (excluding capital spending) have remained relatively flat with regards to inflation. Sales Tax revenue, Hotel/Motel Occupancy Tax revenue, and interest on investments were significantly impacted by the economic downturn. Sales Tax revenue increased slightly from \$11.2 million in 2005-2006 to \$12.4 million in 2006-2007. Hotel/Motel Occupancy Tax revenue increased from \$2.25 million in 2005-2006 to \$2.5 million in 2006-2007. These revenues are projected to increase only slightly in 2007-2008 on a constant dollar basis.



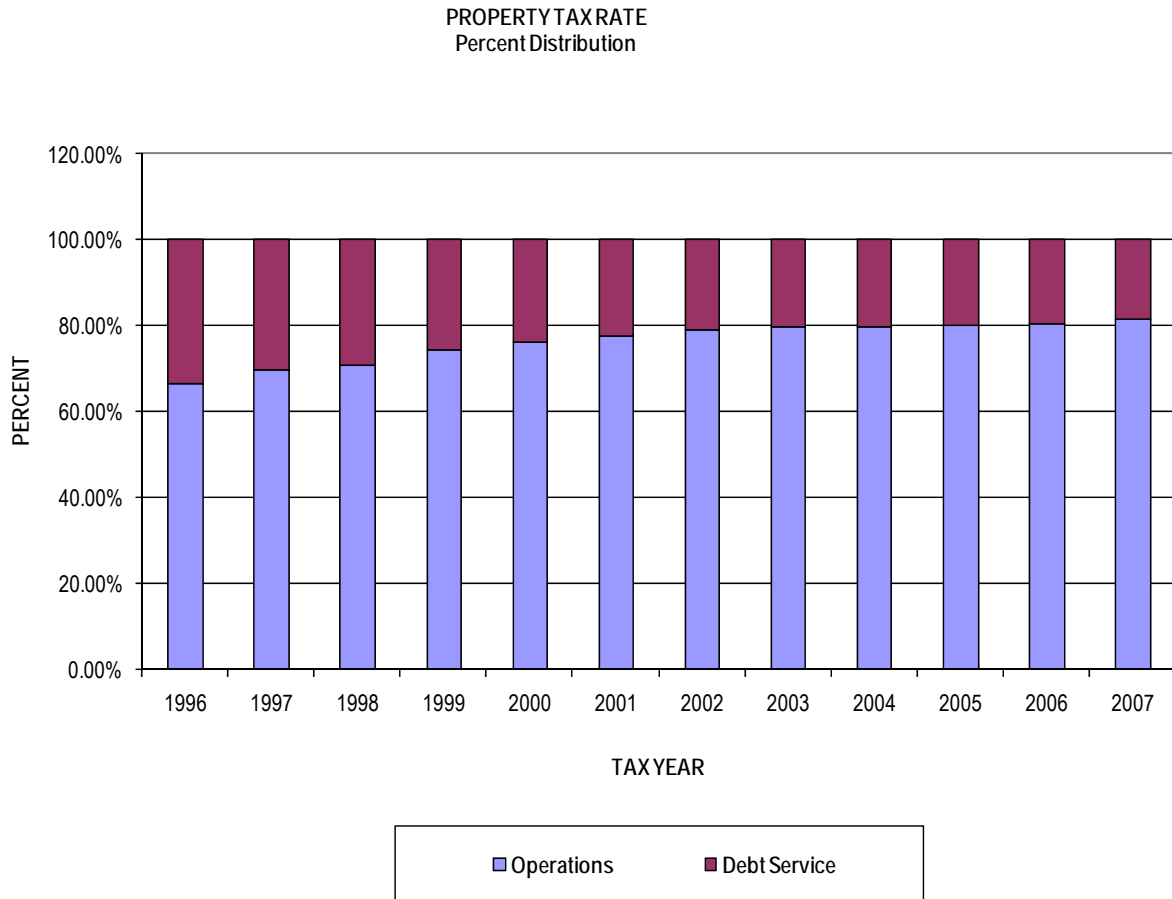
Description: This indicator examines per capita revenue, both in current dollars and adjusted for inflation (constant dollars) to show changes in revenue relative to changes in population. A decrease in operating revenues per capita in constant dollars may be a warning trend that must be examined carefully. While per capita data may have less relevance in a city such as Farmers Branch with an extensive commercial base, current and constant net operating revenues remain highly relevant. This indicator is represented in two ways: 1.) Excluding debt service funding; and, 2.) Including debt service (includes all property tax) funding.

Analysis: When excluding property tax revenues used for debt service, there has been an overall yearly increase, during the review period, in net operating revenues averaging 0.25% per year in current dollars and a decrease of 2.31% in constant dollars. This rise is primarily caused by increased property tax revenues available to the General Fund because of reduced debt service requirements (offset by CIP expenses funded by General Fund Transfers), increased sales tax receipts, and franchise fees. Due to the economic downturn net operating revenues began a declining trend in 2000-2001. Net operating revenues (excluding Debt Services) increased in 2005-2006 by 6.02% and are expected to increase in 2007-2008 by 5.26%.

Operating revenues including debt service have experienced a slight upward trend (since 2001) averaging only an increase of 0.2% per year in current dollars, and a decrease of 2.4% in constant dollars. From 1995 to 2000, revenue grew. Due to the economic downturn constant dollar net operating revenues began a declining trend in 2000-2001. 2006-2007 net operating revenues (including debt services) increased by 0.28% (vs. 2006).

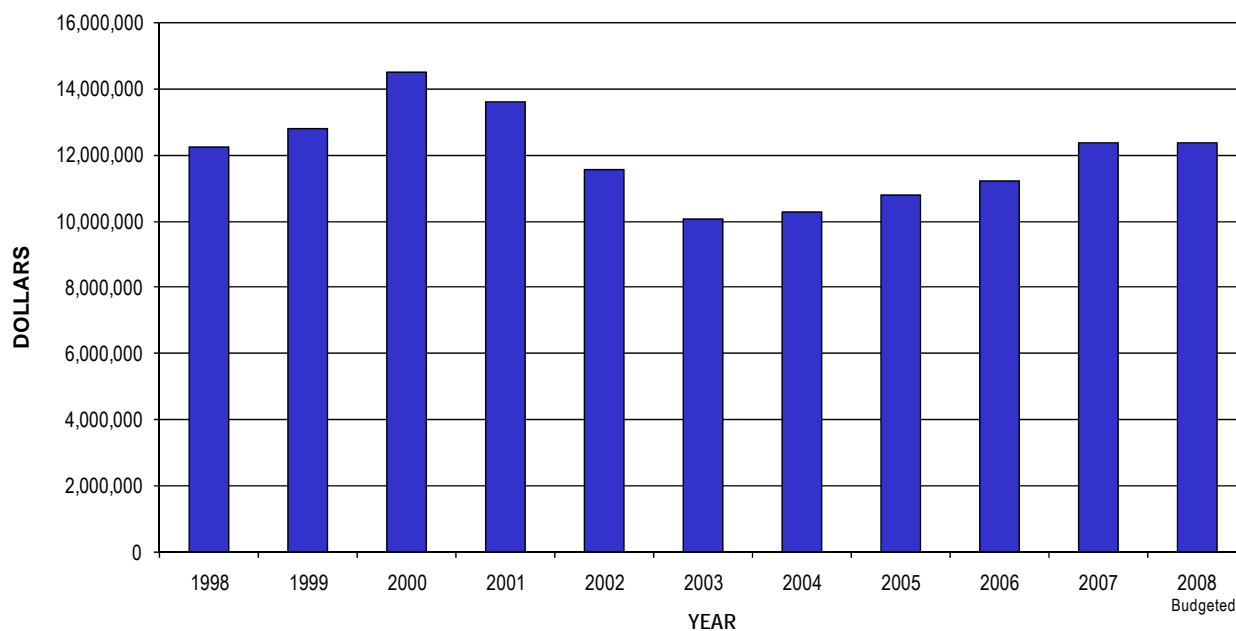
Revenue growth to cover capital improvements and operating cost inflation is especially important. General Fund revenues have been the largest part of Capital Improvement Program funding. For example, General Fund transfers have increased from zero dollars (\$0) in 1990 to \$537,500 in 2004, \$633,500 in 2005, \$137,500 in 2006 and \$4,300,000 in 2007. Because of the economic downturn, in 2008 transfers are to be \$0. Total capital improvement transfers from 1990 to 2007 equal \$38,000,000. From 1997 to 2008 transfers have totaled \$32,219,500 or 85% of the capital improvement transfers since 1990. These transfers increasingly play an important role in the City's Capital Improvement Project planning process as improvements are funded from current revenues rather than from traditional debt issues. Inflationary cost trends during from 1999 to 2008 have averaged approximately 2.7% per year. Revenue growth helps to offset these cost trends.

Conclusion: Sufficient revenues allow the City to continue to provide funds for necessary operations. Since 1995, the growth of revenues represents an important trend for the City; however, a recent five-year slight decline in revenues is a trend that requires close monitoring. Population changes since 1997 impact per capita costs. A use of fund balance was adopted in 2001-2002 and 2002-2003 to partially offset a significant decline in revenues. This planned use of fund balance softens the impact of an economic downturn on City programs and services.



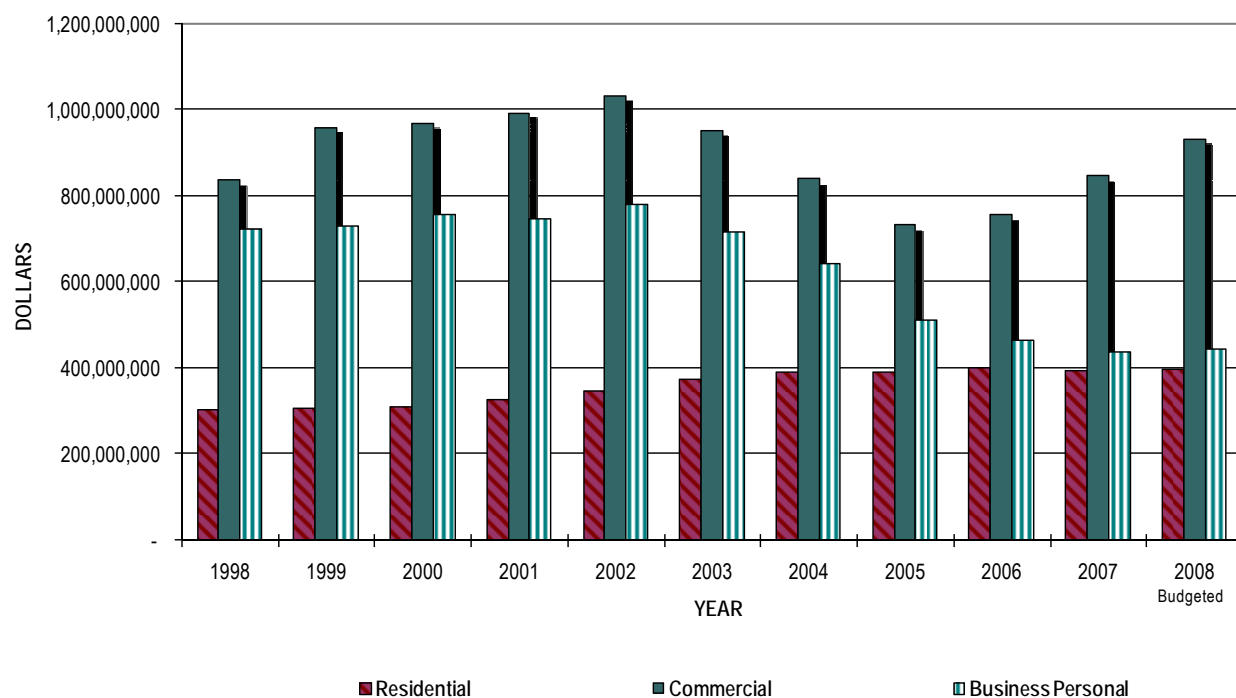
Description, Analysis and Conclusion: The City's tax rate consists of two components. One part of the tax rate funds General Fund operations and is shown in the General Fund budget as property tax revenue. The other part of the tax rate funds debt service on general obligation or certificates of obligation bonds. These bonds are backed by the City's property tax base. The property tax revenue from the debt service part of the tax rate is shown in the debt service budget as property tax revenue. The combined total of property tax revenues in the General and Debt Service Funds is called the City's tax levy. The City's adopted 2008-2009 tax rate of \$.4945 per \$100 property value allocates approximately 89.5% of property tax revenues to the General Fund and approximately 10.5% to the Debt Service Fund. The higher the percentage allocated to the General Fund, the greater the flexibility allowed the City for operational expenditures. This chart shows a historical perspective of the tax rate allocation.

SALES TAX REVENUE (Current Dollars)



Description, Analysis and Conclusion: Sales tax revenues increased from 1994 to 2000 as the area economy improved. The terrorist events of September 11, 2001 accelerated an economic decline that began at the end of fiscal year 2001. Beginning in 2004, sales tax revenues began to gradually increase and are expected to continue at this pace over the next few years.

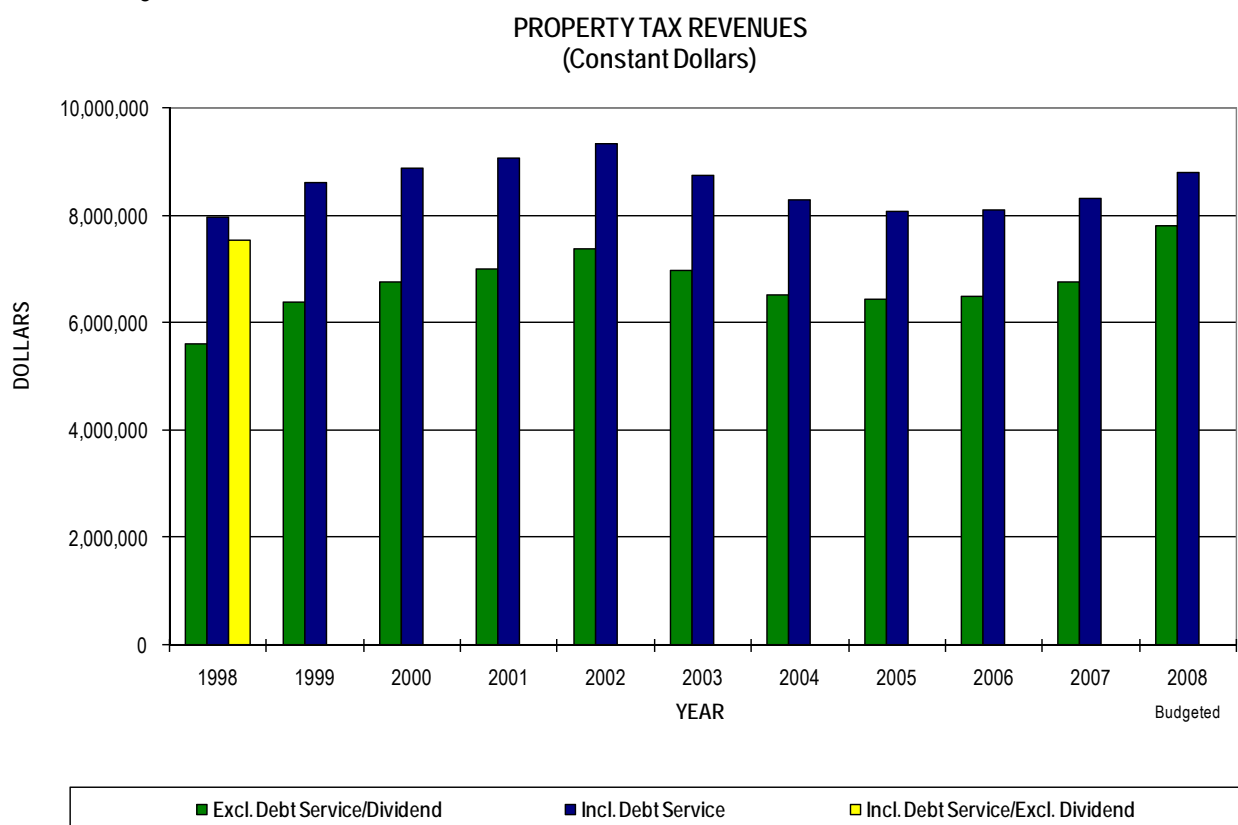
PROPERTY / BUSINESS PERSONAL VALUES (Constant Dollars)



Description: Fluctuations in property value are important because most cities depend on property taxes as a substantial portion of their revenue base. In cities with a stable tax rate, an increase in property value results in increased revenues. A decline in property value is most likely a symptom of other underlying problems. Property values in Farmers Branch are assessed at 100% of the market value. Properties are categorized into three primary segments: residential real property, commercial real property, and commercial (business) personal property. A business personal property tax exemption was added in 2004 on Freeport inventory items. These are certain types of items held in state for 175 days or less.

Analysis: From 1999 to 2008, a formerly negative trend was reversed with an annual average property value increase of 2.44% in current dollars and remained flat in constant dollars. From a current and constant dollar standpoint, total property values remain below the 1988-89 all-time high levels with the exception of business personal property. In 2008 property values increased by 8.95% compared to 2007.

Conclusion: Since 1995 significant growth in property values has occurred. Property Values decreased in 2003, 2004 and 2005, but stabilized and showed slight growth in 2006, 2007 and 2008. During the next few years, property tax revenue growth may lag the growth in property values in the initial years due to development incentives such as tax abatement, tax rebates or tax increment financing.



Description: Property tax revenues are considered separately from other revenues in this analysis because the City relies heavily on them. A diminishing property tax revenue growth rate can result from a number of causes including: (1) decline in property values, (2) decline in local economic health, (3) decline in total households or businesses, (4) unwilling default on property taxes, (5) insufficient assessment or appraisal, (6) intentional defaults resulting from insufficient penalties or collections.

The following analysis is based on both current and constant dollars. In Farmers Branch, property tax revenues are separately apportioned to fund debt service and to fund operating expenses. The analysis considers both property tax revenues including and excluding debt service allocations.

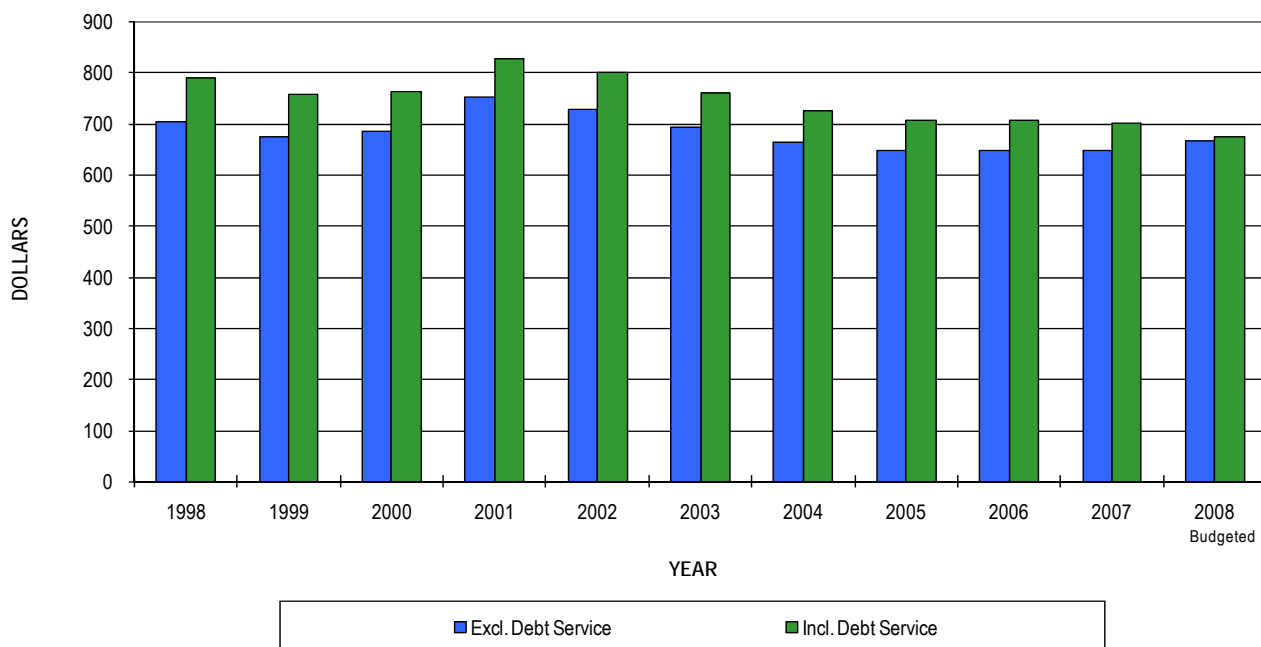
A decline in property tax revenues in constant dollars may reflect significant economic difficulties. Declining use of property tax revenues for capital expenditures (debt service included) may indicate a declining municipal reinvestment (unless other funds are used for debt or capital purchases). Conversely, decreasing availability of property tax revenues for operating expenses may cause a reduction in service levels or deficit spending.

Analysis: When including debt service, total property tax revenues from 1998 to 2007 have increased a yearly average of 3.77% in current dollars and increased 1.1% in constant dollars. Total property tax revenues including debt service increased from 1996 through 2002 as a result of value increases. In 2004 property tax rates were increased by 4.5% (\$.02 per \$100) to help offset increasing expenses. Property tax revenues, in constant dollars, have increased from 1995 until 2002. In 2005 the property tax revenue increased by 2% from 2004 actual revenues due to stronger residential property values and a three forty-fifth cent (\$.0345) per \$100 property tax increase. In 2007 property tax revenue increased by 5.5% on strengthening property values. In 1997 and 1998, the City issued dividends to the taxpayers in the amounts of \$560,000 and \$710,000, respectively. These dividends offset the increases noted above by effectively lowering property tax revenue by 4.5% and 5% in each year respectively. Property tax revenues will increase in 2007-2008 in association with an increased property valuation. During the next few years, property tax revenue growth may lag the growth in property values in the initial years due to development incentives such as tax abatement, tax rebates, or tax increment financing.

When excluding debt service, property tax revenues (in current dollars) increased an average of 5.5% from 1998 to 2007. While property tax revenues (in constant dollars) increased an average of 2.8%. The increase in property values and constant debt service requirements resulted in a current and constant dollar increases in property tax revenues from 1998 through 2007. In 1998, 1999, and 2000 property tax revenues increased by 8.0%, 10.8%, and 6.7%, respectively. When taking the 1997 and 1998 dividends into account the property tax revenues increased by 2.5% and 8.1% in 1997 and 1998, respectively. The following table reflects the pattern of property tax allocations to the General Fund and the amounts necessary to fulfill debt service obligations.

Conclusion: Property tax revenues represent the largest single source of revenues for the City. Property tax revenues (including debt service) declined by 6.7% in current dollars as a direct result of decreasing property values from 2002 to 2004. In 2007, property tax revenues, in constant dollars, are above the 1998 levels.

EXPENDITURES PER CAPITA
(Constant Dollars)
(Excluding General Fund CIP Transfers)

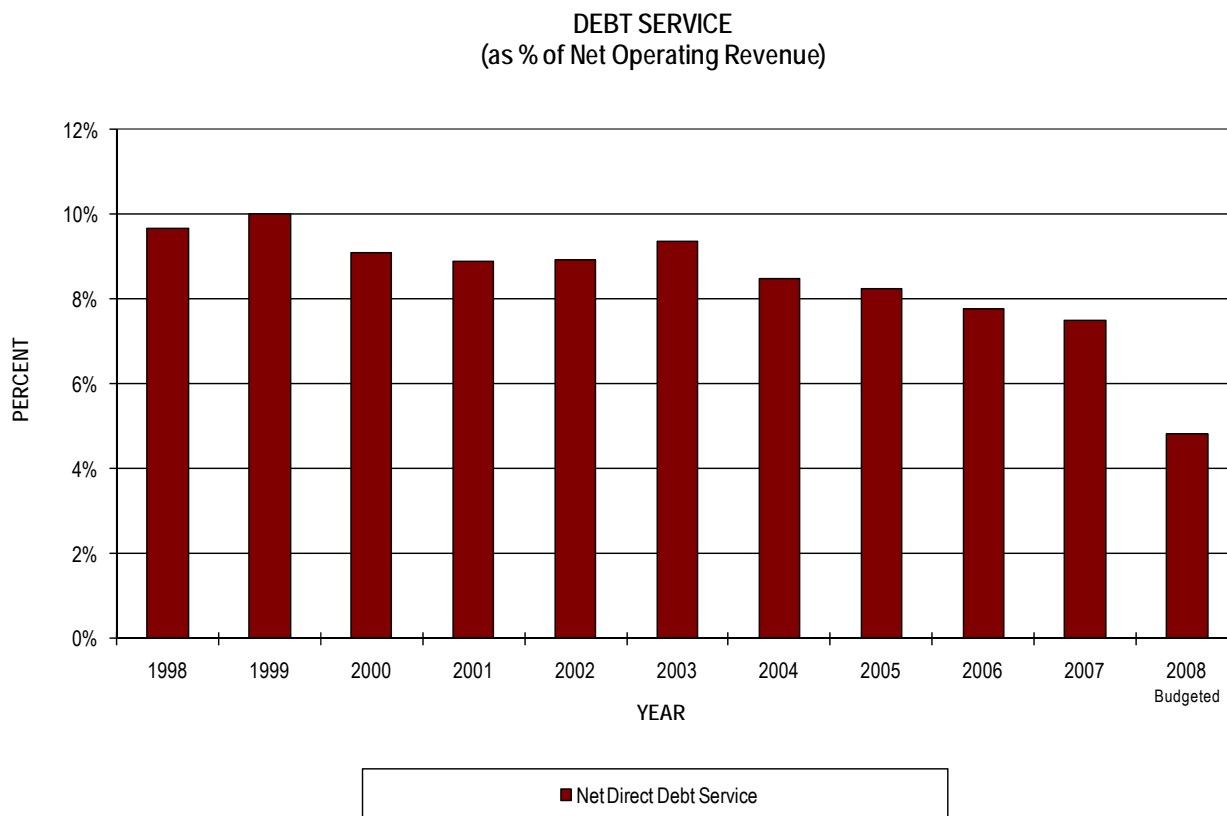


Description: Expenditures must be measured by a number of quantitative and qualitative factors. Changes in per capita expenditures reflect changes in expenditures relative to changes in population. Population is a criterion of some relevance as the population group is usually the group served. Other factors not analyzed here relate to the impact of commercial expansion on expenditures. Despite its limitations, per capita expenditure indicates a relationship of some validity.

Analysis: Net operating expenditures excluding debt service increased an average of 1.1% per year from 1998 to 2007 in constant dollars. Net operating expenditures excluding debt service increased from 1998 to 2007 an average of 3.8% in current dollars. However, compared to 2005-2006 the 2006-2007 expenditures increased by 4.3% in constant dollars. The 2007-2008 operating expenditures excluding debt services are projected to increase only 2% in current dollars and decrease slightly by 1% in constant dollars when compared to 2006-2007 actuals.

Net Operating Expenditures including debt service: Net operating expenditures including debt service increased from 1998 to 2007 an average of 3.3% in current dollars, but only increased by 0.6% in constant dollars. For 2007-2008 operating expenditures including debt service are budgeted to decreased 12.8% in current dollars and decrease 15.4% in constant dollars compared to 2006-2007 actuals.

Conclusion: In response to financial trends, the City implemented cost containment measures and incorporated these measures into the budget process in both the early 1990's as well as the early 2000's. Cost containment continues to be an important consideration for preparing future budgets.

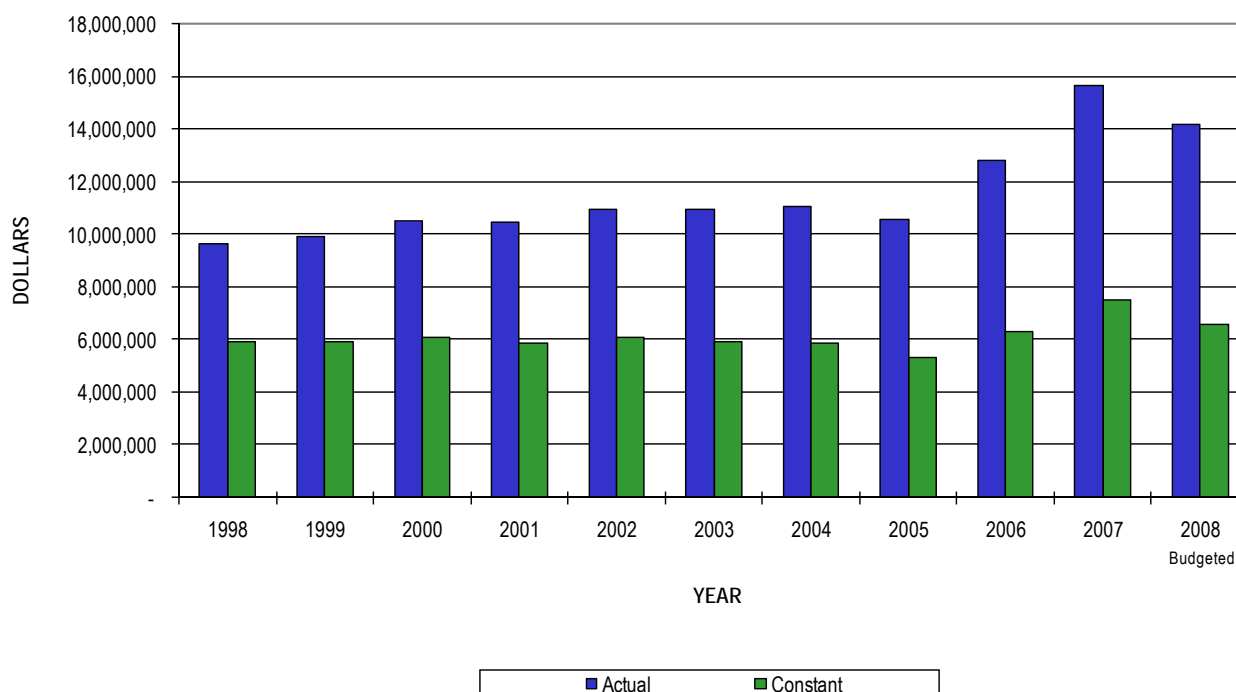


Description: Debt service is the amount of principal and interest that must be paid each year in order to payoff long-term debt. As debt service requirements become greater in proportion to net operating revenues, the City has less money available for discretionary use. Perhaps more importantly, such a trend suggests that the City may have more debt outstanding than the City is able to repay. A credit industry benchmark is that debt service on net direct debt exceeding 20% of operating revenue is considered a potential problem.

Analysis: The continued decrease is attributed to the pay-as-you-go policy of the City as part of a major program of funding capital projects through the General Fund as opposed to issuing additional debt to fund capital projects. Since 1990 the City has funded \$37,862,500 directly from the General Fund for capital projects.

Conclusion: The City's assessed value is able to sustain significant debt; however, the impact of debt service on operating revenues is important. In 2002-2003, the City was able to refinance two of its outstanding bonds, saving \$915,936 in interest payments. Since 1992, debt service as a percentage of operating revenues, has consistently been below the credit rating benchmark of 20%, and has decreased from 25% in 1990 to 10% in 1999. While the City has relied on interest earned on unused bond proceeds to fund a portion of debt service requirements, the City ended this practice in 1996. Debt service is funded by a percentage of property tax exclusively.

WATER & SEWER FUND EXPENDITURES (Actual Dollars vs. Constant Dollars)

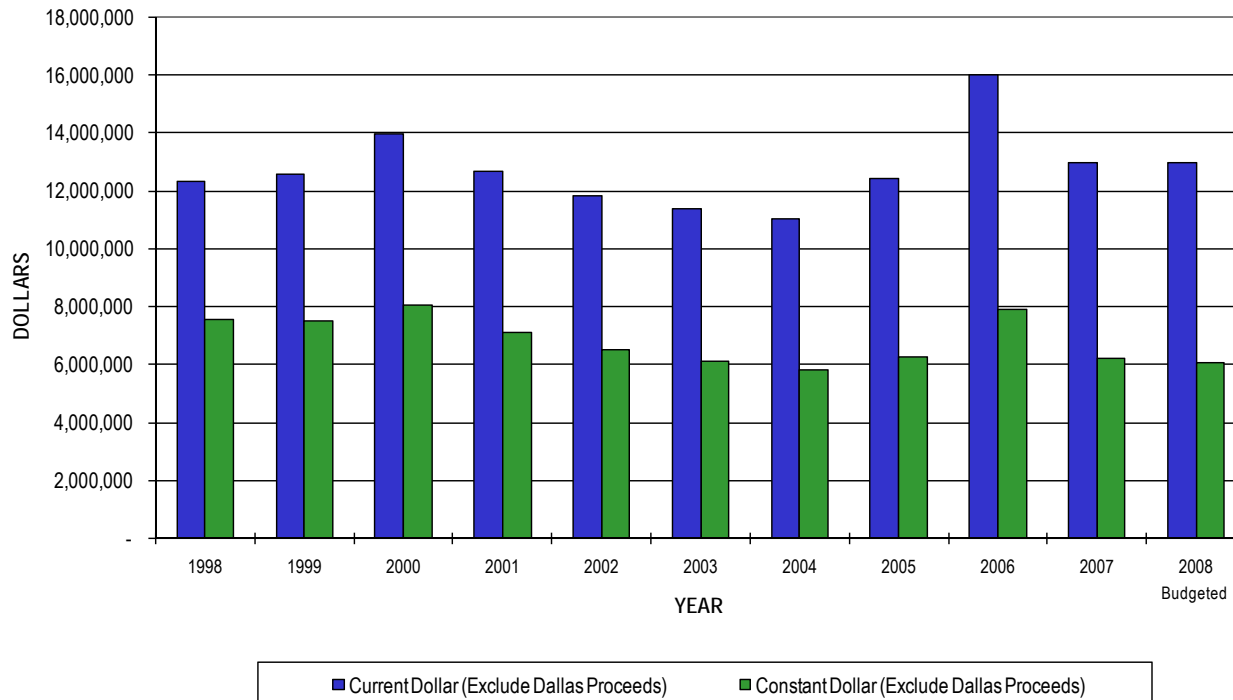


Description: Water and Sewer Fund expenditures must be measured by a number of quantitative and qualitative factors. Population is a criterion of some relevance as the population group is usually the group served (commercial service is a major factor in Farmers Branch).

Analysis: Net operating expenditures have slightly increased by an average of 2.0% (constant dollars) over the review period. With the exception of General Fund transfers and capital replacement funding, the City has little or no influence in the short term in controlling costs such as purchasing water, treating sewage, and electrical costs. In 1998, 1999, 2000, 2005 and 2006 low rainfall levels and hot weather conditions caused the City to request that its water supplier, the City of Dallas, increase maximum water flow levels available to the City in order to meet increased consumption demands. This request increased the fixed (demand cost) portion of the City's water bill – an increase that effectively will be paid every year in the future. The 2007-2008 budgeted operating expenditures are based upon estimated consumption, which could be impacted by weather changes that could affect operations. Currently these expenses are projected to decrease by 12.3% (constant dollars).

Conclusion: During the past few years, Water and Sewer Fund expenditures have increased. These increases have been partially offset by increased revenues caused by low rainfall levels and hot weather conditions. In 2004, 2005 and 2006 rates were increased 5%, 4.5% and 13.5% respectively to offset revenue declines caused primarily by the economic downturn.

WATER & SEWER FUND Current Dollar Operating Revenues



Description: This indicator examines Water & Sewer Fund operating revenues, both in current dollars and adjusted for inflation (constant dollars). A decrease in operating revenues in constant dollars may be a warning trend that must be examined carefully.

Analysis: Net operating revenues have generally increased between 1998 and 2007 in current dollars (3.0% per year average) and very slightly increased in constant (0.4% per year average) dollars. In 2004, rates were increased 5% to offset revenue declines caused primarily by the economic downturn and weather conditions. 2005 rates were increased by 4.5% in order to offset continued declining revenues due to the same factors occurring in 2004. 2007's revenues were lower, (decrease of 19% to 2006) because of a record amount of rainfall in 2007. In order to offset rising costs, a 13.5% increase was also implemented in 2006. Rainfall and economic conditions can impact water consumption and therefore water revenue. Expenditures, to a great extent, fluctuate with consumption. Rates have been designed so as revenues change (as a result of consumption fluctuation) they are proportional to changes in expenditures caused by those fluctuations. This minimizes the impact of revenue loss caused by consumption fluctuations.

Conclusion: Water & Sewer Fund operating revenues have fluctuated since 1998 in constant dollars. This revenue is based on rate increases and water consumption. The summers of 1998, 1999, 2000, 2005 and 2006 were unusually dry and therefore contribute to higher revenues. In contrast 2004 and 2007 were usually high in rainfall with 47.57 and 50.05 inches of rain respectively, compared to a normal rainfall of 34.73 inches. This led to a drop in 2004 and 2007's revenues when compared to average operating revenues (in constant dollars). Year-to-year fluctuations are primarily due to weather patterns, which affect water demand.

City of Farmers Branch - Position Summary (by Department)

	Amended 2004-2005	Amended 2005-2006	Amended 2006-07	Amended 2007-08	Adopted 2008-09
General Administration					
Full-Time	8.50	7.50	6.50	7.00	6.00
Part-Time	0.00	0.00	0.00	0.00	0.00
Communications & Marketing					
Full-Time	4.00	4.00	4.00	5.00	4.00
Part-Time	3.00	3.00	2.00	2.00	2.00
Economic Development & Tourism					
Full-Time	3.00	3.00	4.00	3.00	2.00
Part-Time	1.00	1.00	1.00	1.00	1.00
Human Resources					
Full-Time	7.00	7.00	7.00	7.00	6.00
Part-Time	0.00	0.00	1.00	2.00	2.00
Finance					
Full-Time	29.50	27.50	27.50	27.00	24.00
Part-Time	5.00	5.00	5.00	5.00	4.00
Community Services					
Full-Time	24.00	24.00	26.00	26.00	24.00
Part-Time	1.00	1.00	1.00	1.00	1.00
Engineering					
Full-Time	18.00	18.00	18.00	18.00	13.00
Part-Time	0.00	0.00	0.00	0.00	0.00
Public Works					
Full-Time	68.00	62.00	61.00	61.00	58.00
Part-Time	2.00	3.00	1.00	1.00	0.00
Police					
Full-Time	106.00	107.00	107.00	110.00	110.00
Part-Time	8.00	9.00	10.00	10.00	10.00
Fire					
Full-Time	64.00	64.00	72.00	80.00	80.00
Part-Time	1.00	1.00	0.00	1.00	1.00
Parks & Recreation					
Full-Time	64.00	64.00	64.00	63.00	62.00
Part-Time	98.00	100.00	101.00	102.00	98.00
Library					
Full-Time	17.00	19.00	19.00	19.00	17.00
Part-Time	12.00	14.00	14.00	16.00	11.00
Equipment Services					
Full-Time	11.00	10.00	11.00	8.00	8.00
Part-Time	1.00	1.00	1.00	1.00	1.00
<i>Total Full-Time Positions</i>	424.00	417.00	427.00	434.00	414.00
<i>Total Part-Time Positions</i>	132.00	138.00	137.00	142.00	131.00
<i>Total Full-Time Equivalents</i>	475.31	469.27	480.24	487.46	461.65

City of Farmers Branch - Position Summary

Personnel Schedules

Dept./ Division	Position	Grade	Amended 2004-05	Amended 2005-06	Amended 2006-07	Amended 2007-08	Adopted 2008-09
1002	GENERAL ADMINISTRATION						
	Assistant City Manager	E46	2.00	2.00	2.00	2.00	2.00
	Assistant to City Manager	G31	1.00	0.00	0.00	0.00	0.00
	Assistant to City Manager - Project Coord.	G31	1.00	1.00	1.00	1.00	0.00
	City Manager	106	1.00	1.00	1.00	1.00	1.00
	City Secretary	G32	1.00	1.00	1.00	1.00	1.00
	Executive Assistant	G26	1.00	1.00	1.00	1.00	1.00
	Management Analyst	G31	0.50	0.50	0.50	1.00	1.00
	Senior Administrative Assistant	G22	1.00	1.00	0.00	0.00	0.00
	Full-Time Total		8.50	7.50	6.50	7.00	6.00
1104	COMMUNICATIONS & MARKETING						
	Communications & Marketing Director	G36	1.00	1.00	1.00	1.00	1.00
	Communications Technician	G20	1.00	1.00	1.00	1.00	1.00
	Marketing Specialist	G28	0.00	0.00	0.00	1.00	0.00
	Senior Administrative Asst.	G22	1.00	1.00	1.00	1.00	1.00
	Video Engineer	G24	1.00	1.00	1.00	1.00	1.00
	Video Technician P/T **	43	3.00	3.00	2.00	2.00	2.00
	Full-Time Total		4.00	4.00	4.00	5.00	4.00
	Part-Time Total **		3.00	3.00	2.00	2.00	2.00
1205	ECONOMIC DEVELOPMENT & TOURISM						
	Director of Business Development & Expan.	G34	0.00	0.00	1.00	1.00	0.00
	Economic Development Analyst	G31	1.00	1.00	0.00	0.00	0.00
	Economic Development Director	E41	1.00	1.00	1.00	1.00	1.00
	Marketing Specialist	G26	0.00	0.00	1.00	0.00	0.00
	Full-Time Total		2.00	2.00	3.00	2.00	1.00
1509	HUMAN RESOURCES						
	Administrative Assistant	G21	1.00	0.00	0.00	0.00	0.00
	Administrative Technician	G19	0.00	1.00	1.00	1.00	0.00
	Director of Human Resources	E43	1.00	1.00	1.00	1.00	1.00
	Human Resources Analyst	G31	1.00	1.00	0.00	0.00	0.00
	Human Resources Assistant	G23	0.00	1.00	1.00	1.00	1.00
	Human Resources Manager	G34	0.00	0.00	1.00	1.00	1.00
	Human Resources Technician	G24	1.00	0.00	0.00	0.00	0.00
	Program Coordinator	G25	0.00	1.00	1.00	1.00	1.00
	Receptionist	G16	1.00	1.00	1.00	1.00	1.00
	Risk Manager	G34	1.00	1.00	1.00	1.00	1.00
	Senior Administrative Assistant	G22	1.00	0.00	0.00	0.00	0.00
	Background Investigator P/T **	52	0.00	0.00	1.00	2.00	2.00
	Full-Time Total		7.00	7.00	7.00	7.00	6.00
	Part-Time Total **		0.00	0.00	1.00	2.00	2.00
2010	FINANCE						
	Finance Administration						
	Director of Finance	E46	1.00	1.00	1.00	1.00	1.00
	Financial Analyst	G32	1.00	1.00	1.00	1.00	1.00
	Finance Technician	G26	1.00	1.00	1.00	1.00	1.00
	Management Analyst	G31	0.50	0.50	0.50	0.00	0.00
	Full-Time Total		3.50	3.50	3.50	3.00	3.00
2112	Information Services						
	GIS Analyst	G30	1.00	1.00	1.00	1.00	1.00
	Help Desk Support Specialist	G26	1.00	1.00	1.00	1.00	1.00
	Director of Information Services	E41	1.00	1.00	1.00	1.00	1.00
	Network Administrator	G33	1.00	1.00	1.00	1.00	1.00
	Systems Analyst/Database Administrator	G32	1.00	1.00	1.00	1.00	1.00
	Systems Analyst/Programmer	G32	1.00	1.00	1.00	1.00	1.00
	Systems Support Specialist	G28	1.00	1.00	1.00	1.00	1.00
	Information Tech Intern P/T **	41	1.00	1.00	1.00	1.00	0.00
	Full-Time Total		7.00	7.00	7.00	7.00	7.00
	Part-Time Total **		1.00	1.00	1.00	1.00	0.00

City of Farmers Branch - Position Summary

Personnel Schedules

Dept./ Division	Position	Grade	Amended 2004-05	Amended 2005-06	Amended 2006-07	Amended 2007-08	Adopted 2008-09
2014	Accounting						
	Accounts Payable Specialist	G18	1.00	1.00	0.00	0.00	0.00
	Accounts Payable Specialist	G21	0.00	0.00	1.00	1.00	1.00
	Chief Accountant	G35	1.00	1.00	1.00	1.00	1.00
	Customer Service Representative	G21	2.00	2.00	2.00	2.00	2.00
	Customer Service Supervisor	G29	1.00	1.00	1.00	1.00	1.00
	Senior Accountant	G31	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		6.00	6.00	6.00	6.00	6.00
2511	Purchasing						
	Administrative Technician	G19	1.00	1.00	1.00	1.00	0.00
	Purchasing Agent	G31	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		2.00	2.00	2.00	2.00	1.00
5033	Municipal Court						
	Assistant Court Administrator	G25	1.00	1.00	1.00	1.00	1.00
	Bailiff (Special Rev. Fund)	G21	1.00	0.00	0.00	0.00	0.00
	Court Administrator	G33	1.00	1.00	1.00	1.00	1.00
	Deputy Court Clerk	G17	7.00	7.00	7.00	7.00	5.00
	Police Officer	P14	1.00	0.00	0.00	0.00	0.00
	Alternate City Judge P/T** (unfunded)	46	3.00	3.00	3.00	3.00	3.00
	City Judge P/T **	46	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		11.00	9.00	9.00	9.00	7.00
	Part-Time Total **		4.00	4.00	4.00	4.00	4.00
	<i>Finance Full-Time</i>		29.50	27.50	27.50	27.00	24.00
	<i>Finance Part-Time</i>		5.00	5.00	5.00	5.00	4.00
3016	COMMUNITY SERVICES						
	Community Services Administration						
	Administrative Assistant	G21	1.00	1.00	2.00	2.00	1.00
	Director of Community Services	E44	1.00	1.00	1.00	1.00	1.00
	Director of Planning	G39	1.00	1.00	1.00	1.00	1.00
	Office Manager	G26	1.00	1.00	1.00	1.00	1.00
	Permit Technician	G21	1.00	1.00	0.00	0.00	0.00
	Planner Associate	G26	1.00	1.00	1.00	1.00	0.00
	Planning Analyst	G27	1.00	1.00	1.00	1.00	1.00
	Senior Planner	G31	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		8.00	8.00	8.00	8.00	6.00
3017	Building Inspection						
	Building Inspector	G27	1.00	1.00	1.00	1.00	1.00
	Building Official	G38	1.00	1.00	1.00	1.00	1.00
	Code Enforcement Officer	G25	4.00	4.00	5.00	5.00	5.00
	Electrical Inspector	G30	1.00	1.00	1.00	1.00	1.00
	Mechanics System Inspector	G30	1.00	1.00	1.00	1.00	1.00
	Permit Technician	G21	0.00	0.00	1.00	1.00	1.00
	Plans Examiner	G27	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		9.00	9.00	11.00	11.00	11.00

City of Farmers Branch - Position Summary

Personnel Schedules

Dept./ Division	Position	Grade	Amended 2004-05	Amended 2005-06	Amended 2006-07	Amended 2007-08	Adopted 2008-09
3019	Environmental Health						
	Animal Control Officer	G18	3.00	3.00	3.00	3.00	3.00
	Consumer Health Specialist	G31	1.00	1.00	1.00	1.00	1.00
	Director of Environmental Health	G38	0.00	0.00	0.00	1.00	1.00
	Environmental Health Manager	G36	1.00	1.00	1.00	0.00	0.00
	Environmental Health Specialist	G27	1.00	1.00	1.00	1.00	1.00
	Environmental Administrator	G32	1.00	1.00	1.00	1.00	1.00
	Environmental Health Assistant P/T **	41	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		7.00	7.00	7.00	7.00	7.00
	Part-Time Total **		1.00	1.00	1.00	1.00	1.00
<i>Community Services Full-Time</i>			24.00	24.00	26.00	26.00	24.00
<i>Community Services Part-Time **</i>			1.00	1.00	1.00	1.00	1.00
3521	ENGINEERING						
	Engineering Administration						
	City Engineer	E44	1.00	1.00	1.00	1.00	1.00
	Construction Inspector	G28	3.00	3.00	3.00	3.00	2.00
	Engineering Assistant	G26	0.00	1.00	1.00	1.00	1.00
	Engineering Technician	G27	3.00	3.00	3.00	3.00	2.00
	Project Engineer	G37	1.00	1.00	1.00	1.00	0.00
	Project Landscape Architect	G32	1.00	1.00	1.00	1.00	0.00
	Project Manager	G39	2.00	2.00	2.00	2.00	2.00
	Senior Administrative Assistant	G22	1.00	0.00	1.00	1.00	0.00
Full-Time Total			12.00	12.00	13.00	13.00	8.00
3522	Traffic Engineering						
	Lead Signal Technician	G28	1.00	1.00	1.00	1.00	1.00
	Senior Traffic Engineering Technician	G30	1.00	1.00	1.00	0.00	0.00
	Signal Technician	G24	2.00	2.00	2.00	2.00	2.00
	Signal Technician Assistant	G15	1.00	1.00	0.00	1.00	1.00
	Traffic Engineer	G39	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		6.00	6.00	5.00	5.00	5.00
<i>Engineering Full-Time</i>			18.00	18.00	18.00	18.00	13.00
4020	PUBLIC WORKS						
	Public Works Administration						
	Administrative Assistant	G21	1.00	1.00	1.00	1.00	1.00
	Assistant to Director	G31	1.00	1.00	1.00	1.00	1.00
	Director of Public Works	E45	1.00	1.00	1.00	1.00	1.00
4024	Office Manager	G26	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		4.00	4.00	4.00	4.00	4.00
	Solid Waste Collection						
	Driver I	G20	11.00	11.00	10.00	10.00	10.00
	Foreman I	G24	2.00	2.00	2.00	2.00	2.00
	Landfill Administrator	G34	0.00	0.00	1.00	1.00	1.00
	Solid Waste Manager	G31	1.00	1.00	1.00	1.00	1.00
	Driver I P/T **	46	0.00	1.00	1.00	1.00	0.00
	Full-Time Total		14.00	14.00	14.00	14.00	14.00
	Part-Time Total **		0.00	1.00	1.00	1.00	0.00

City of Farmers Branch - Position Summary

Personnel Schedules

Dept./ Division	Position	Grade	Amended 2004-05	Amended 2005-06	Amended 2006-07	Amended 2007-08	Adopted 2008-09
4027	Street Maintenance						
	Crew Leader, Public Works	G24	3.00	3.00	2.00	2.00	2.00
	Equipment Operator II, Streets	G20	1.00	1.00	1.00	0.00	0.00
	Equipment Operator III, Streets	G22	4.00	3.00	3.00	4.00	4.00
	General Foreman	G29	1.00	1.00	1.00	1.00	1.00
	Paving & Drainage Technician	G20	5.00	2.00	2.00	2.00	2.00
	Senior Paving & Drainage Technician	G22	2.00	3.00	4.00	4.00	2.00
	Street Operations Specialist	G26	3.00	3.00	2.00	2.00	1.00
	Street Superintendent	G34	1.00	1.00	1.00	1.00	1.00
	Paving & Drainage Technician P/T **	49	2.00	2.00	0.00	0.00	0.00
	Full-Time Total		20.00	17.00	16.00	16.00	13.00
	Part-Time Total **		2.00	2.00	0.00	0.00	0.00
	<i>Public Works Full-Time</i>		38.00	35.00	34.00	34.00	31.00
	<i>Public Works Part-Time **</i>		2.00	3.00	1.00	1.00	0.00
	POLICE						
4530	Police Administration						
	Assistant to Police Chief	G26	1.00	0.00	0.00	0.00	0.00
	Office Coordinator	G24	0.00	1.00	1.00	1.00	1.00
	Police Chief	E45	1.00	1.00	1.00	1.00	1.00
	Senior Administrative Assistant	G22	1.00	1.00	1.00	1.00	1.00
	Hearing Officer P/T **	47	0.00	0.00	1.00	1.00	1.00
	Full-Time Total		3.00	3.00	3.00	3.00	3.00
	Part-Time Total **		0.00	0.00	1.00	1.00	1.00
4531	Police Investigations						
	Lieutenant	P18	2.00	2.00	2.00	2.00	2.00
	Police Assistant - Public Service Officer	G16	0.00	0.00	0.00	1.00	1.00
	Police Officer	P14	9.00	9.00	9.00	9.00	9.00
	Sergeant	P17	3.00	3.00	3.00	3.00	3.00
	Full-Time Total		14.00	14.00	14.00	15.00	15.00
4532	Police Patrol						
	Corporal	P14	4.00	4.00	4.00	4.00	4.00
	Department Courier	G15	1.00	1.00	1.00	1.00	1.00
	Deputy Chief	G37	1.00	1.00	1.00	1.00	1.00
	Detention Officer	G20	13.00	13.00	13.00	14.00	14.00
	Lieutenant	P18	5.00	5.00	5.00	5.00	5.00
	Police Assistant - Public Service Officer	G16	0.00	0.00	0.00	1.00	1.00
	Police Officer	P14	40.00	41.00	41.00	41.00	41.00
	Sergeant	P17	5.00	5.00	5.00	5.00	5.00
	Bailiff P/T ** (Special Rev. Fund)	47	0.00	1.00	1.00	1.00	1.00
	School Crossing Guard P/T **	38	8.00	8.00	8.00	8.00	8.00
	Full-Time Total		69.00	70.00	70.00	72.00	72.00
	Part-Time Total **		8.00	9.00	9.00	9.00	9.00
4535	Police Communications						
	Administrative Technician	G19	3.00	3.00	3.00	3.00	3.00
	Communication's Specialist	G20	15.00	15.00	15.00	15.00	15.00
	Deputy Chief	G37	1.00	1.00	1.00	1.00	1.00
	Lieutenant	P18	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		20.00	20.00	20.00	20.00	20.00
	<i>Police Full-Time</i>		106.00	107.00	107.00	110.00	110.00
	<i>Police Part-Time **</i>		8.00	9.00	10.00	10.00	10.00
	FIRE						
5540	Administration						
	Administrative Assistant	G21	0.00	1.00	0.00	0.00	0.00
	Deputy Chief Administrative Services	G37	1.00	1.00	1.00	1.00	1.00
	Deputy Chief Operations	G37	1.00	1.00	1.00	1.00	1.00
	EMS Coordinator	G35	0.00	0.00	1.00	1.00	1.00
	Fire Chief	E45	1.00	1.00	1.00	1.00	1.00
	Office Coordinator	G25	1.00	0.00	1.00	1.00	1.00
	Technical Coordinator (Fire)	G30	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		5.00	5.00	6.00	6.00	6.00

City of Farmers Branch - Position Summary

Personnel Schedules

Dept./ Division	Position	Grade	Amended 2004-05	Amended 2005-06	Amended 2006-07	Amended 2007-08	Adopted 2008-09
5541	Prevention						
	Capt./Fire Prevention Specialist	F5	1.00	1.00	1.00	1.00	1.00
	Deputy Chief Prevention	G37	1.00	1.00	1.00	1.00	1.00
	Fire Lt./Inspector	F3	1.00	1.00	1.00	1.00	1.00
	Fire Prevention Training Coordinator	G26	1.00	1.00	1.00	1.00	1.00
	Fire Prevention Clerical Assistant P/T **	46	0.00	0.00	0.00	1.00	1.00
	Injury Prevention Assistant P/T **	46	1.00	1.00	0.00	0.00	0.00
	Full-Time Total		4.00	4.00	4.00	4.00	4.00
	Part-Time Total **		1.00	1.00	0.00	1.00	1.00
5542	Fire Operations						
	Battalion Chief	F8	3.00	3.00	3.00	3.00	3.00
	Fire Captain	F6	6.00	6.00	6.00	9.00	9.00
	Fire E.O.	F2	11.00	11.00	12.00	15.00	15.00
	Fire E.S.O.	F1	28.00	28.00	35.00	37.00	37.00
	Fire Lieutenant/Operations	F4	7.00	7.00	6.00	6.00	6.00
	Full-Time Total		55.00	55.00	62.00	70.00	70.00
	<i>Fire Full-Time</i>		64.00	64.00	72.00	80.00	80.00
	<i>Fire Part-Time</i>		1.00	1.00	0.00	1.00	1.00
6050	PARKS AND RECREATION						
	Parks and Recreation Administration						
	Assistant Director PARD	G39	1.00	1.00	1.00	1.00	1.00
	Athletic Program Coordinator	G24	0.60	0.60	0.60	0.60	0.60
	Director of PARD	E45	1.00	1.00	1.00	1.00	1.00
	Office Manager	G26	1.00	1.00	1.00	1.00	1.00
	Senior Administrative Assistant	G22	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		4.60	4.60	4.60	4.60	4.60
6018	Building Maintenance						
	Building Maintenance Technician I	G23	1.00	1.00	1.00	1.00	1.00
	Building Maintenance Technician II	G28	2.00	2.00	2.00	2.00	2.00
	City Electrician	G32	1.00	1.00	1.00	1.00	1.00
	Facility Maintenance Superintendent	G33	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		5.00	5.00	5.00	5.00	5.00
6051	Park Maintenance						
	Assistant to the Director PARD	G26	1.00	0.00	0.00	0.00	0.00
	Athletic Fields Specialist I	G19	1.00	1.00	1.00	1.00	1.00
	Athletic Fields Specialist II	G23	1.00	1.00	1.00	1.00	1.00
	Chemicals Specialist	G24	1.00	1.00	1.00	1.00	1.00
	Equipment Operator I, Parks	G19	1.00	1.00	1.00	1.00	1.00
	Equipment Operator II, Parks	G21	1.00	1.00	1.00	1.00	1.00
	Equipment Operator III, Parks	G23	2.00	2.00	2.00	2.00	2.00
	Irrigation Specialist	G23	2.00	2.00	2.00	2.00	2.00
	Park District Supervisor	G27	2.00	2.00	2.00	2.00	2.00
	Park Landscape Manager	G32	1.00	1.00	1.00	1.00	1.00
	Park Maintenance Crew Leader	G22	7.00	8.00	8.00	8.00	8.00
	Park Maintenance Supervisor	G31	1.00	1.00	1.00	1.00	1.00
	Park Maintenance Technician	G17	16.00	16.00	16.00	15.00	14.00
	Park Superintendent	G34	1.00	1.00	1.00	1.00	1.00
	Laborer P/T **	35	12.00	14.00	15.00	15.00	11.00
	Park Rover P/T **	40	1.00	1.00	1.00	1.00	1.00
	Laborer - Cemetery P/T ** (Special Rev. Fund)	35	0.00	0.00	0.00	1.00	1.00
	Full-Time Total		38.00	38.00	38.00	37.00	36.00
	Part-Time Total **		13.00	15.00	16.00	17.00	13.00

City of Farmers Branch - Position Summary

Personnel Schedules

Dept./ Division	Position	Grade	Amended 2004-05	Amended 2005-06	Amended 2006-07	Amended 2007-08	Adopted 2008-09
6052	Recreation						
	Recreation Center Manager	G31	1.00	1.00	1.00	1.00	1.00
	Recreation Programmer	G25	3.00	3.00	3.00	4.00	4.00
	Recreation Programmer Assistant	G19	1.00	1.00	1.00	0.00	0.00
	Recreation Superintendent	G35	1.00	1.00	1.00	1.00	1.00
	Special Projects Manager	G27	1.00	1.00	1.00	1.00	1.00
	Coordinator Assistant P/T **	32	1.00	1.00	1.00	1.00	1.00
	Fitness Attendant P/T**	45	6.00	6.00	6.00	6.00	6.00
	Recreation Leader P/T **	45	8.00	8.00	8.00	8.00	8.00
	Youth Leader P/T **	32	32.00	32.00	32.00	32.00	32.00
	Youth Program Supervisor P/T **	43	6.00	6.00	6.00	6.00	6.00
	Full-Time Total		7.00	7.00	7.00	7.00	7.00
	Part-Time Total **		53.00	53.00	53.00	53.00	53.00
6053	Swimming Pool						
	Assistant Pool Manager P/T **	39	2.00	2.00	2.00	2.00	2.00
	Cashier P/T **	30	3.00	3.00	3.00	3.00	3.00
	Head Cashier P/T **	36	1.00	1.00	1.00	1.00	1.00
	Lifeguard P/T **	34	20.00	20.00	20.00	20.00	20.00
	Pool Manager P/T **	43	1.00	1.00	1.00	1.00	1.00
	Part-Time Total **		27.00	27.00	27.00	27.00	27.00
6054	Senior Center						
	Recreation Programmer, Senior Center	G25	3.00	3.00	3.00	3.00	3.00
	Senior Center Supervisor	G27	1.00	1.00	1.00	1.00	1.00
	Building Attendant P/T **	31	2.00	2.00	2.00	2.00	2.00
	Recreation Leader P/T **	45	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		4.00	4.00	4.00	4.00	4.00
	Part-Time Total **		3.00	3.00	3.00	3.00	3.00
6569	<i>Parks Full-Time</i>		58.60	58.60	58.60	57.60	56.60
	<i>Parks Part-Time **</i>		96.00	98.00	99.00	100.00	96.00
	LIBRARY						
	Administrative Assistant	G21	1.00	1.00	1.00	1.00	1.00
	Adult Services Supervisor	G27	1.00	1.00	1.00	0.00	0.00
	Assistant Director (Library)	G34	1.00	1.00	1.00	1.00	0.00
	Assistant Librarian	G24	1.00	1.00	1.00	1.00	1.00
	Children's Librarian	G27	1.00	1.00	1.00	1.00	1.00
	Circulation Supervisor	G24	1.00	1.00	1.00	1.00	1.00
	Information Technology Librarian	G30	1.00	0.00	0.00	0.00	0.00
	Library Assistant	G15	3.00	4.00	4.00	4.00	4.00
	Library Director	E41	1.00	1.00	1.00	1.00	1.00
	Library Public Services Manager	G33	0.00	1.00	1.00	0.00	0.00
	Library Public Services Supervisor	G28	0.00	0.00	0.00	3.00	2.00
	Library Technician	G16	1.00	1.00	1.00	1.00	1.00
	Reference Librarian	G25	3.00	3.00	3.00	3.00	3.00
	Support Services Manager	G33	0.00	1.00	1.00	1.00	1.00
	Technical Services Manager	G30	1.00	1.00	1.00	1.00	1.00
	Youth Services Supervisor	G28	1.00	1.00	1.00	0.00	0.00
	Children's Librarian P/T **	47	1.00	1.00	1.00	1.00	0.00
	Library Assistant P/T **	44	9.00	10.00	10.00	12.00	9.00
	Library Cataloger P/T **	47	1.00	1.00	1.00	1.00	0.00
	Reference Librarian P/T **	47	0.00	1.00	1.00	1.00	1.00
	Youth Services Outreach Librarian P/T **	47	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		17.00	19.00	19.00	19.00	17.00
	Part-Time Total **		12.00	14.00	14.00	16.00	11.00

Personnel Schedules

Dept./			Amended	Amended	Amended	Amended	Adopted
Division	Position	Grade	2004-05	2005-06	2006-07	2007-08	2008-09
8085	PUBLIC WORKS						
	Water & Sewer Administration						
	Administrative Assistant	G21	1.00	0.00	0.00	0.00	0.00
	Assistant Director	G39	0.00	0.00	1.00	1.00	1.00
	Superintendent (Utilities)	G33	1.00	1.00	0.00	0.00	0.00
	Full-Time Total		2.00	1.00	1.00	1.00	1.00
8086	Water & Sewer Operations						
	Engineering Specialist	G29	3.00	3.00	3.00	3.00	3.00
	Foreman I	G24	6.00	5.00	5.00	5.00	5.00
	General Foreman	G29	1.00	1.00	1.00	1.00	1.00
	Meter Reader	G17/G19	3.00	3.00	3.00	3.00	3.00
	Meter Reader Supervisor	G20	1.00	1.00	1.00	1.00	1.00
	Pump Station Supervisor	G25	0.00	1.00	1.00	1.00	1.00
	Senior Pump Operator	G23	1.00	0.00	0.00	0.00	0.00
	Utility Maintenance Worker	G22	13.00	12.00	12.00	12.00	12.00
	Full-Time Total		28.00	26.00	26.00	26.00	26.00
	Public Works Full-Time		30.00	27.00	27.00	27.00	27.00
7080	EQUIPMENT SERVICES						
	Equipment Services						
	Administrative Assistant	G21	1.00	1.00	1.00	0.00	0.00
	Auto Technician	G24	6.00	6.00	6.00	5.00	5.00
	Auto Technician Overfill (Temporary)	G24	0.00	0.00	1.00	0.00	0.00
	Auto Technician Foreman	G26	1.00	1.00	1.00	0.00	0.00
	Director of Equipment Services	G38	1.00	1.00	1.00	1.00	1.00
	Fleet Analyst	G23	0.00	0.00	0.00	1.00	1.00
	Fleet Superintendent	G33	1.00	1.00	1.00	0.00	0.00
	Fleet Supervisor	G29	0.00	0.00	0.00	1.00	1.00
	Inventory/Hazardous Substance Technician	G19	1.00	0.00	0.00	0.00	0.00
	Auto Technician P/T **	35	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		11.00	10.00	11.00	8.00	8.00
	Part-Time Total **		1.00	1.00	1.00	1.00	1.00
9092	PARKS AND RECREATION						
	Historical Preservation						
	Administrative Assistant	G21	1.00	1.00	1.00	1.00	1.00
	Athletic Program Coordinator	G24	0.40	0.40	0.40	0.40	0.40
	Curator	G26	1.00	1.00	1.00	1.00	1.00
	Historical Park Superintendent	G33	1.00	1.00	1.00	1.00	1.00
	Museum Educator	G26	1.00	1.00	1.00	1.00	1.00
	Park Maintenance Technician	G20	1.00	1.00	1.00	1.00	1.00
	Park Attendant P/T **	51	2.00	2.00	2.00	2.00	2.00
	Full-Time Total		5.40	5.40	5.40	5.40	5.40
	Part-Time Total **		2.00	2.00	2.00	2.00	2.00
9093	ECONOMIC DEVELOPMENT & TOURISM						
	Promotion of Tourism						
	Sales Executive	G25	1.00	0.00	0.00	0.00	0.00
	Tourism Sales Manager	G28	0.00	1.00	1.00	1.00	1.00
	Intern P/T **	35	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		1.00	1.00	1.00	1.00	1.00
	Part-Time Total **		1.00	1.00	1.00	1.00	1.00

City of Farmers Branch - Position Summary

Personnel Schedules

Dept./ Division	Position	Grade	Amended 2004-05	Amended 2005-06	Amended 2006-07	Amended 2007-08	Adopted 2008-09
	General Fund Full-Time Total		375.60	373.60	382.60	392.60	372.60
	General Fund Part-Time Total **		128.00	133.00	132.00	136.00	125.00
	Water & Sewer Fund Full-Time Total		30.00	27.00	27.00	27.00	27.00
	Internal Service Fund Full-Time Total		11.00	10.00	11.00	8.00	8.00
	Internal Service Fund Part-Time Total **		1.00	1.00	1.00	1.00	1.00
	Hotel/Motel Fund Full-Time Total		6.40	6.40	6.40	6.40	6.40
	Hotel/Motel Fund Part-Time Total **		3.00	3.00	3.00	3.00	3.00
	Special Revenue Funds Full-Time Total		1.00	0.00	0.00	0.00	0.00
	Special Revenue Funds Part-Time Total		0.00	1.00	1.00	2.00	2.00
	ALL FUNDS FULL-TIME TOTAL		424.00	417.00	427.00	434.00	414.00
	ALL FUNDS PART-TIME TOTAL **		132.00	138.00	137.00	142.00	131.00
	ALL FUNDS FULL-TIME EQUIVALENT (FTE)		475.31	469.27	480.24	487.46	461.65

** Denotes Part-Time Positions

CITY CHARTER

§ 4-1

§ 4-5

ARTICLE IV. Budget

Sec. 4.01. Fiscal Year: Budget Year; Accounting Year.

The fiscal year of the City government shall begin on the first day of October and shall end on the last day of September of each calendar year. The fiscal year shall constitute the budget and the accounting year.

Sec. 4.02. Preparation and Submission of Budget.

Prior to the 1st day of August in each year, the City Manager shall prepare, file with the City Secretary, and furnish to each member of the Council a carefully itemized budget outlining anticipated receipts and proposed expenditures of the City, showing as definitely as possible appropriations desired for each project and the operation for the next succeeding fiscal year, comparing the same with the budget of the then current fiscal year, and stating the estimated receipts and expenditures of the current year. Concurrently with the submission of an operating budget, the City Manager shall prepare and present a capital projects budget outlining all proposed capital projects and sources of funding for a period of at least three (3) years. The City Manager shall also outline all debt service payments and sources of funding. Each employee, officer, board and department shall furnish the City Manager such information as may be required by the City Manager for the proper preparation of each budget. The proposed budget shall contain an estimate of the rate of tax required for the then current calendar year. (Amended, Charter Amd. No. 11, No. 12, and No. 28, approved on January 21, 1989) (Amended, Charter Amd. No. 8, approved on May 1, 1999)

Sec. 4.03. Budget Form.

At the head of the budget there shall appear a summary of the budget, in such a manner as to present to taxpayers a simple and clear summary of the detailed estimates of the budget. The City Manager shall at the same time submit a budget message explaining the need of the requested appropriations and stating what pending capital projects, if any, will likely require the issuance of bonds or warrants.

Sec. 4.04. Budget a Public Record.

The budget and budget message and all supporting schedules shall be a public record in the office of the City Secretary open to public inspection by anyone.

Sec. 4.05. Publication and Notice of Public Hearing.

The budget shall be filed with the City Secretary before the 30th day before the City establishes and sets its tax rate. The City Council shall call and hold a public hearing on the budget after the 25th day after the budget is filed with the City Secretary. Notice of the public hearing shall be published at least one time in a newspaper of general circulation not earlier than thirty (30) days nor later than ten (10) days before the date of the public hearing. (Amended, Charter Amd. No. 5, approved on April 20, 1968) (Amended, Charter Amd. No. 2, approved on May 1, 1999)

CITY CHARTER

§ 4-6

§ 4-11

ARTICLE IV. Budget

Sec. 4.06. Hearing and Adoption of Budget.

At the time advertised or at any time to which public hearing shall be adjourned, the Council shall hold a public hearing on the budget as submitted, at which all interested persons shall be given an opportunity to be heard for or against the estimates or any item therein. After the conclusion of such public hearing, the Council may make such changes, if any, in the budget as in their judgment the law warrants and the best interests of the taxpayers of the City demand. The budget, as amended, if there be changes, shall then be adopted by Ordinance which shall also fix the tax rate per \$100 assessed value which shall apply to the current tax year. The City Manager shall file a copy of the budget with the County Clerk of Dallas County and with the Comptroller of the State of Texas.

Sec. 4.07. Budget Establishes Appropriations and Amount to be Raised by Ad Valorem Taxation.

The budget shall state the amount of money to be raised by ad valorem taxation. (Amended, Charter Amd. No. 13 and No. 14, approved January 21, 1989)

Sec. 4.08. Unallocated Reserve Fund.

When recommended by the City Manager and in the discretion of the Council the budget may contain a reasonable sum set aside as an unallocated reserve fund to meet unexpected and unforeseen contingencies in current operating costs of any budget project.

Sec. 4.09. Amendment and Supplemental Budgets.

In case of grave public necessity, emergency expenditures to meet unusual and unforeseen conditions which could not, by reasonable diligent thought and attention, have been included in the original budget may from time to time be authorized, upon the affirmative vote of a majority of a quorum of the Council, as amendments or supplements to the original budget. Such supplements and amendments shall be approved in an ordinance and shall be filed with the original budget.

Sec. 4.10. Defect Shall not Invalidate Tax Levy.

Defects in the form or preparation of the budget or the failure to perform any procedural requirement shall not invalidate any tax levy or the tax roll.

Sec. 4.11. Budget Establishes Appropriations; Transfer of Unencumbered Appropriations.

Amounts set forth in the budget as approved expenditures shall be appropriated to the objects and purposes identified therein. The City Council may authorize the City Manager to transfer unencumbered appropriations within a department to an extent identified by the Council in its grant of such authorization. The Council, by ordinance, may amend the budget by transferring any unencumbered amounts within any fund of the City. (Amended, Charter Amd. No. 14, approved on January 21, 1989)



**FARMERS
BRANCH**

ORDINANCE NO. 2991

AN ORDINANCE OF THE CITY OF FARMERS BRANCH, TEXAS, PROVIDING FUNDS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2008 AND ENDING SEPTEMBER 30, 2009, BY APPROVING THE BUDGET FOR SAID PERIOD AND APPROPRIATING AND SETTING ASIDE THE NECESSARY FUNDS OUT OF THE GENERAL AND OTHER REVENUES OF THE CITY OF FARMERS BRANCH FOR SAID FISCAL YEAR FOR THE MAINTENANCE AND OPERATION OF VARIOUS DEPARTMENTS AND FOR VARIOUS ACTIVITIES AND IMPROVEMENTS OF THE CITY.

WHEREAS, as required by Section 4.02 of the City Charter, the City Manager has prepared and submitted to the City Council a budget estimate of expenditures and revenues of all City departments, activities and offices for the fiscal year beginning October 1, 2008 and ending September 30, 2009; and,

WHEREAS, the City of Farmers Branch is a participating municipality in the Texas Municipal Retirement System (the System) and has undertaken to provide certain retirement and disability benefits to its employees; and,

WHEREAS, said budget has been filed with the City Secretary of the City of Farmers Branch, Texas, as required; and,

WHEREAS, notices of public hearing upon said budget have been duly and legally made; and,

WHEREAS, said public hearing has been held and full consideration given to said budget.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS THAT:

SECTION 1. For the purpose of providing the funds necessary and proposed to be expended in the budget of the City of Farmers Branch for the fiscal year beginning October 1, 2008 and ending September 30, 2009, the budget heretofore prepared by the City Manager and submitted to the City Council for its consideration and approval and set forth as Exhibit "A" attached hereto be, and the same is hereby approved, and the available resources and revenues of the City of Farmers Branch for said fiscal year be, and the same are hereby appropriated and set aside for the maintenance and operation of the various departments of the government of the City of Farmers Branch, together with the various activities and improvements as set forth in said budget and the appropriation shall be strictly applied for the uses and purpose of the respective departments and activities as provided for in said budget.

SECTION 2. The said budget for the fiscal year beginning October 1, 2008 and ending September 30, 2009, approved herein, shall be attached to and made a part of this Ordinance the same as if copied in full herein.

SECTION 3. Expenditures during the fiscal year beginning October 1, 2008 and ending September 30, 2009 shall be made in accordance with the budget approved by this Ordinance of the City of Farmers Branch.

SECTION 4. That Article VI, Division 2, Sec. 2-615, of the Code of Ordinances be amended to read as follows:

"Pursuant to Section 855.407(g) of the TMRS Act the City hereby elects to make future normal and prior service contributions to its account in the municipal accumulation fund of the Texas Municipal Retirement System (the "System") at such combined rate of the total compensation paid by the City to employees who are members of the System, as the System's actuary shall annually determine as the rate necessary to fund within the amortization period determined as applicable to the City under the TMRS Act, the costs of all benefits which are or may become chargeable to or are to be paid out of the City's account in said accumulation fund, regardless of other provisions of the TMRS Act limiting the combined rate of City contributions."

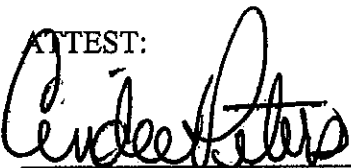
SECTION 5. Notwithstanding the foregoing, pursuant to Section 4.11 of the amended City Charter, the City Manager is hereby authorized to transfer unencumbered appropriations within a department but not between funds.

SECTION 6. That all notices and public hearings required by law have been duly completed.


SECTION 7. This Ordinance shall take effect on October 1, 2008.

DULY PASSED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH,
TEXAS, ON THE 16TH DAY OF SEPTEMBER 2008.

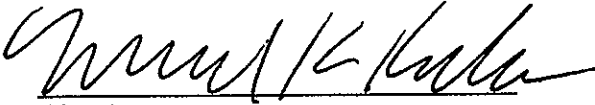
ATTEST:


Cindee Peters, City Secretary

APPROVED:


Tim O'Hare, Mayor

APPROVED AS TO FORM:


City Attorney



**FARMERS
BRANCH**

ORDINANCE NO. 2993

**AN ORDINANCE OF THE CITY OF FARMERS BRANCH, TEXAS, TO
LEVY THE TAX RATE FOR THE 2008-2009 FISCAL YEAR.**

WHEREAS, assessments and renditions of all taxable property in the City of Farmers Branch have been made for the year 2008 by the Dallas Central Appraisal District; and,

WHEREAS, the total tax rate of \$0.4945 per \$100.00 of assessed value is the same tax rate adopted for the prior fiscal year; and,

WHEREAS, THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE; and,

WHEREAS, THIS TAX RATE WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 RESIDENCE HOMESTEAD BY APPROXIMATELY \$3.01; and,

WHEREAS, this tax rate will lower taxes for debt service on a \$100,000 residence homestead by approximately \$3.01 for a net total property tax change of zero.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS:

SECTION 1. The tax rate to be levied for the year 2008 on all taxable property, real, personal or mixed, located within the City of Farmers Branch, be, and is hereby fixed at \$0.442341 per \$100.00 of assessed value for general fund distribution and \$0.052159 per \$100.00 of assessed value for debt service distribution, for a total of \$0.4945 per \$100.00 of assessed value.

SECTION 2. That this ordinance shall take effect from and after its passage as is provided in the City Charter.

DULY PASSED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS, ON THE 16TH DAY OF SEPTEMBER 2008.

ATTEST

Cindee Peters, City Secretary

APPROVED:

Tim O'Hare, Mayor

APPROVED AS TO FORM:

City Attorney

**ORDINANCE NO. 2118**

AN ORDINANCE GRANTING AN EXEMPTION TO A MARRIED OR UNMARRIED ADULT, INCLUDING ONE LIVING ALONE, FROM AD VALOREM TAXATION OF TWENTY PERCENT (20%) OF THE MARKET VALUE OF RESIDENCE HOMESTEAD, BUT NOT LESS THAN FIVE THOUSAND DOLLARS (\$5,000); GRANTING AN EXEMPTION OF \$60,000 OF THE ASSESSED VALUATION OF RESIDENCE HOMESTEADS OF PERSONS WHO ARE ON DISABILITY INSURANCE AND OF PERSONS SIXTY-FIVE (65) YEARS OF AGE OR OLDER FOR SAID YEAR; PROVIDING A SEVERABILITY CLAUSE AND DECLARING AN EMERGENCY.

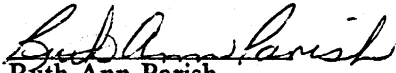
BE IT ORDAINED by the City Council of the City of Farmers Branch, Texas, that:

- Section 1.** That pursuant to the Texas Constitution Article 8, Section 1-b, Subsection (e), the City Council of Farmers Branch, Texas, does hereby exempt from ad valorem taxation twenty percent (20%), but not less than five thousand dollars (\$5,000) of the market value of the residence homestead of a married or unmarried adult, including one living alone, for the tax year of 1994 and future years.
- Section 2.** That pursuant to Article 8, Section 1-b, of the Texas Constitution, there is hereby granted a residence homestead exemption from ad valorem taxes to be levied of \$60,000 of the assessed valuation of residence homesteads of persons, married or unmarried, including those living alone, who are disabled for purposes of payment of disability insurance benefits under Federal Old Age, Survivors and Disability Insurance or its successors or of a married person sixty-five (65) years of age or older, including those living alone, for the tax year of 1994 and future years.
- Section 3.** That pursuant to Article 8, Section 1-b, of the Texas Constitution, persons who are both sixty-five (65) years of age or older and disabled shall be entitled to only one exemption provided in Section 2 of this Ordinance.
- Section 4.** Severability. If any section, sentence, phrase, word, paragraph or provision of this ordinance or the application of that section, sentence, phrase, word, paragraph or provision to any person, situation or circumstances is for any reason adjudged invalid, the adjudication shall not affect any other section, sentence, phrase, word, paragraph or provision of this ordinance or the application of any other section, sentence, phrase, word, paragraph or provision to any other person, situation or circumstances, nor shall such adjudication affect any other section, sentence, phrase, word, paragraph or provision of the Farmers Branch City Code. The City Council declares that it would have adopted the valid portions and applications of this ordinance without the invalid part, and to this end the provisions of this ordinance are declared to be severable.

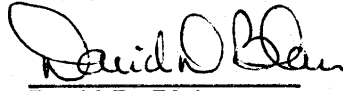
Section 5. Emergency. The fact that the present ordinance and regulations of the City of Farmers Branch, Texas, are inadequate to properly safeguard the health, safety, morals, peace, and general welfare of the inhabitants of the City of Farmers Branch, Texas, creates an emergency for the immediate preservation of public business, property, health, safety, and general welfare of the public which requires that this ordinance shall become effective from and after the date of its passage it is accordingly so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS, this the 23rd day of May, 1994.

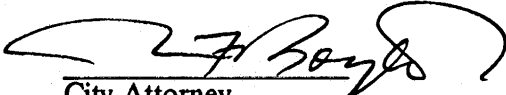
ATTEST:


Ruth Ann Parish
City Secretary

ACCEPTED:


David D. Blair
Mayor

APPROVED AS TO FORM:


City Attorney

GLOSSARY

Accounts Payable

A liability account reflecting amounts on open account owing to private persons or organizations for goods and services received by a government (but not including amounts due to other funds of the same government or to other governments).

Accounts Receivable

An asset account reflecting amounts owing to open accounts from private persons or organizations for goods and services furnished by a government.

Accrual

Basis of accounting under which revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

Actual

Actual, as used in the fund summaries and department and division summaries within the budget document, represents the actual costs results of operations. This category is presented on a GAAP basis, with the exception that depreciation and amortization are not budgeted and principal payments on debt in the enterprise funds are budgeted as expenses.

Ad Valorem Tax

A tax computed from the assessed valuation of land and improvements.

Adopted

Adopted, as used in the fund summaries and department and division summaries within the budget document, represents the budget as approved by the City Council.

Appropriation

An authorization made by the legislative body of a government that permits officials to incur obligations against and to make expenditures of governmental resources. Specific appropriations are usually made at the fund level and are granted for a one-year period.

Appropriation Ordinance

The official enactment by the legislative body establishing the legal authority for officials to obligate and expend resources.

Assessed Valuation

A government sets a valuation upon real estate or other property as a basis for levying taxes. An assessed valuation represents the appraised valuation less any exemptions.

Assets

Resources owned or held by the City, which have monetary value.

Beginning Balance

The beginning balance is the residual non–restricted funds brought forward from the previous fiscal year (ending balance).

Bond

A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are General Obligation and Revenue Bonds. These are most frequently used for construction of large capital projects, such as buildings, streets, and bridges.

Bond Proceeds

Funds received from the sale of any bond issue.

Budget

The City's financial plan for a specific fiscal year that contains both the estimated revenues to be received during the year and the proposed expenditures to be incurred to achieve stated objectives.

Budget Calendar

The schedule of key dates or milestones that City departments follow in the preparation, adoption, and administration of the budget.

Budget Message

The opening section of the budget that provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, as well as the views and recommendation of the City Manager.

Budgetary Basis

Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), with the exception that (1) encumbrances are considered to be an expenditure chargeable to appropriations; (2) no depreciation is budgeted for proprietary funds; and (3) bond principal in the enterprise funds is subject to appropriation.

Capital Outlay

Includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increase the capacity, efficiency, span of life, or economy of operating an existing fixed asset. For an item to qualify as a capital outlay expenditure it must meet all of the following requirements: 1) have an estimated useful life of more than one year; 2) typically have a unit cost of \$5,000 or more; and 3) be a betterment or improvement. Replacement of a capital item is classified as a capital outlay under the same code as the original purchase. Replacement or repair parts are classified under commodities.

Capital Improvement Plan (CIP)

A capital improvements plan is a comprehensive plan which projects the capital needs of the community. Generally, it is a cyclical process that projects the needs for a set number of years. Capital improvements plans are essential to sound infrastructure and financial planning. The annual capital budget is derived from the long–term CIP.

Capital Project

Any project having assets of significant value and having a useful life of five years or more. Capital projects include the purchase of land, design, engineering and construction of buildings, and infrastructure items such as streets, bridges, drainage, street lighting, and water systems.

Capital Projects Funds

Funds used to account for all resources used for the acquisition and/or construction of major capital facilities by the City, except those financed by the Enterprise Fund.

CDBG

Acronym for Community Development Block Grant.

Certificates of Obligation

Similar to general obligation bonds except the certificates require no voter approval.

CIP

Acronym for Capital Improvement Program, a multi-year schedule of capital improvement projects. This is a flexible budget document that is used as a planning tool for needed improvements. Amounts approved in the CIP are considered guidelines and are not officially adopted as budgeted amounts until they are incorporated in the operating budget of one of the City's funds.

Commodities

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature.

Consumer Price Index (CPI)

A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services

Includes expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services accounts.

Cost

The amount of money or other consideration exchanged for property or services. Costs may be incurred even before money is paid; that is, as soon as a liability is incurred.

CPI

An acronym for Consumer Price Index.

Current Taxes

Taxes that are levied and due within one year.

DART

Acronym for Dallas Area Rapid Transit, a mass transit authority serving the Dallas metroplex, which is funded through a 1% sales tax levied in participating cities.

DCAD

Acronym for Dallas Central Appraisal District.

Debt Service

The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Delinquent Taxes

Taxes remaining unpaid on and after the date for which a penalty for non-payment is attached.

Department

The combination of divisions of the City headed by a department head with a specific and unique set of goals/objectives (e.g., Police, Fire, Finance, Public Works, etc.).

Depreciation

The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

Division

A functional unit within a department consisting of one or more cost centers engaged in activities supporting the unit's mission and objectives.

Elastic Revenues

Revenues that are highly responsive to changes in the economy or inflation, such as sales tax, permits, and fees.

EMS

An acronym for emergency medical services.

Encumbrance

Includes obligations in the form of purchase orders, contracts or other commitments. They cease to be encumbrances when paid, canceled, or when the actual liability is established.

Ending Balance

The residual non-restricted funds that are spendable or available for appropriation at the end of the fiscal year.

Enterprise Fund

A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to insure that revenues are adequate to meet all necessary expenditures. Enterprise Funds in Farmers Branch are established for water and sewer service.

Estimated

Represents the original adopted budget plus any approved changes and anticipated year-end savings.

Expenditures

This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually incurred. This term applies to all funds.

Expenses

Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest, and other charges.

Fees

Charges for specific services.

Financial Policy

A government's directive with respect to revenues, spending, reserves, and debt management as these relate to government services, programs and capital investment. Financial policy provides an agreed upon set of principles for the planning and programming of government budgets and its funding.

Fiscal Year

A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Farmers Branch's fiscal year is October 1 through September 30.

Fixed Asset

Asset of a long-term character that is intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery, and equipment.

Fixed Asset Fund

Account group used to record the purchase of a fixed asset.

Forecast

A prediction of a future outcome based on known and unknown factors.

Franchise

A special privilege granted by a government permitting the continuing use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

Franchise Fee

Charged to the water and sewer utility fund, is a reimbursement to the general fund for the utility's use of City streets and rights-of-way.

Fringe Benefits

Contributions made by a government to meet commitments or obligations for employee-related expenses. Included are the government's share of costs for Social Security and the various pension, medical, and life insurance plans.

Full-Time Equivalent (FTE)

A calculation used to convert part-time hours to equivalent full-time positions. Full-time employee salaries are based on 2,080 hours per year. The full-time equivalent of a part-time employee is calculated by dividing number of hours budgeted by 2,080.

Fund

A fiscal and accounting entity with a self-balancing set of accounts. Records cash and other financial resources together with all related liabilities and residual equities or balances and changes therein. These are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance

The balance of net financial resources that are spendable or available for appropriation.

Fund Summary

A combined statement of revenues, expenditures, and changes in fund balance for the prior year's actual, adopted, and estimated budgets, and the current year's adopted budgets.

GAAP

Acronym for Generally Accepted Accounting Practices.

GAAP Adjustments

Differences arising from the use of a basis of accounting for budgetary purposes that differs from the basis of accounting applicable when reporting on operations in conformity with Generally Accepted Accounting Principles (GAAP). For example, depreciation and amortization in Enterprise Funds are not considered expenses on the budget basis of accounting, but are considered expenses on the GAAP basis.

GASB

Acronym for Government Accounting Standards Board, an independent, non-profit agency responsible for the promulgation of accounting and financial reporting procedures for governmental entities.

General Fund

The General Fund accounts for many of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, finance administration, park and recreation, libraries, streets, buildings, and land.

General Long-Term Debt

Represents any unmatured debt not considered to be a fund liability.

General Obligation Bonds

Bonds that finance a variety of public projects such as streets, buildings, and improvements. The repayment of these bonds is usually made from the General Fund and these bonds are backed by the full faith and credit of the issuing government.

Generally Accepted Accounting Principles (GAAP)

The uniform minimum standards and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define the accepted accounting practices at a particular time. They include both broad guidelines of general application and detailed practices and procedures. GAAP provides standards by which to measure financial presentations.

GFOA

An acronym for Government Finance Officers Association of the United States and Canada.

Goal

A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Governmental Funds

Those funds through which most governmental functions are typically financed. The acquisition, use, and financial resources and the related current liabilities are accounted for through governmental funds (General, Debt Service, Special Revenue, Capital Projects).

Grant

A contribution by one government unit or funding source to another. The contribution is usually made to aid in the support of a specified function (e.g., education or drug enforcement), but it is sometimes for general purposes.

ICMA

Acronym for International City Management Association.

Indirect Cost Allocation

Funding transferred to the general fund from enterprise funds for specific central administrative functions which benefit those funds (e.g., City Manager, Financial Services Department, Human Resources, Legal, etc.).

Infrastructure

The basic facilities on which a city, state, etc. depends, such as roads and bridges.

Internal Service Fund

A fund used to account for the financing of goods or services provided by one City department or cost center to another department, on a cost-reimbursement basis.

LAP

Acronym for Local Assistance Program, a grant program funded by DART for local transportation capital improvements.

Liabilities

Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date.

Line Item Budget

A budget format that summarizes the object codes of expenditures for goods and services that the City intends to purchase during the fiscal year.

Long-Term Debt

Debt with a maturity of more than one year after the date of issuance.

Modified Accrual

Basis of accounting whereby revenues are recorded when susceptible to accrual (i.e. both measurable and available). Available, in this sense, means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, if measurable.

Objective

Something to be accomplished in specific, well defined, and measurable terms and that is achievable within a specific time frame.

Operating Budget

The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel.

Operating Fund

The City classifies General Fund and Enterprise Funds as operating funds.

Operating Revenue

Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance

A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

Outstanding Debt

The balance due at any given time resulting from the borrowing of money or from the purchase of goods and services.

Pay-as-you-go Capital Improvement Projects

Capital projects whose funding source is derived from City revenue sources other than through the sale of voter-approved bonds.

PC Replacement Program

Established to centralize the responsibility for personal computer service and maintenance of computer and printer inventories. Departments are assessed an annual fee based upon their inventory of PCs and printers in use. The charge is accumulated in the PC Replacement Fund and used to replace printers and desktop/laptop computers on a standard replacement schedule.

Performance Measures

Specific quantitative and qualitative measures of work performed as an objective of the department.

Personal Services

Include the salaries and wages paid to employees plus the City's contribution for fringe benefits such as retirement, social security, health, and Workers' Compensation insurance.

PID

An acronym for Public Improvement District. The PID was established on the City's east side to provide a funding mechanism for the construction of a sewer interceptor tunnel.

Property Tax

Property taxes are levied on both real and personal property according to the property's valuation and the tax rate.

Proprietary Funds

Funds that account for government operations that are financed and operated in a manner similar to a private business.

Refunding

A procedure whereby an issuer refinances an outstanding bond issue by issuing new bonds. There are generally two major reasons for refunding: (1) to reduce the issuer's interest costs or (2) to remove a burdensome or restrictive covenant imposed by the terms of the bonds being refinanced. The proceeds of the new bonds are either deposited into escrow to pay the debt service on the outstanding obligations when due, or they are used to immediately retire the outstanding obligations. The new obligations are referred to as the refunding bonds and the outstanding obligations being refinanced are referred to as the refunded bonds or the prior issue.

Reserve

An account which records a portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

Resolution

A legislative enactment by the governing board of a municipality, which requires less legal formality and has a lower legal status than that of an ordinance.

Retained Earnings

The difference between proprietary fund assets and liabilities. The term fund balance or fund equity is used in governmental fund types.

Revenue

Funds that the government receives as income. Revenue includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, and interest income.

Revenue Bonds

Bonds usually sold for constructing a project that will produce revenue for the government. All or part of the revenue is used to pay the principal and interest of the bond.

Self Insurance

The retention by an entity of a risk of loss arising out of the ownership of property or from some other cause instead of transferring that risk through the purchase of an insurance policy.

Sinking Fund

An account into which a debt issuer makes periodic deposits to ensure the timely availability of sufficient monies for the payment of debt service requirements. The revenues to be deposited into the sinking fund and payments therefrom are determined by the terms of the bond contract.

Special Assessment

A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Revenue Fund

Funds used to account for the accumulation and disbursement of restricted sources.

Supplies

A cost category for minor items (individually priced at less than \$5,000) required by departments to conduct their operations, which are not generally permanent in nature.

Tax Rate

A percentage applied to all taxable property to raise general revenue. It is derived by dividing the total tax levy by the taxable net property valuation.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

TIF

Acronym for Tax Increment Financing, which is funded from bonds, developers' contributions and advances, and/or property tax payments to account for infrastructure construction in special districts within the City.

Transfers

Money transferred between funds (operating transfers in to one fund and operating transfers out to another fund).

TXDOT

Acronym for Texas Department of Transportation, a state government agency.

Unreserved Fund Balance

The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Fee

The fee charged for services to the party or parties who directly benefits.